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CONTENTS

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

ALBANIA

Zhulali Views Importance of NATO Cooperation *[Tirana TV]* 1
Rugova Discusses Albanian 'National Cause' *[REPUBLIKA 22 May]* 1
Official Claims Radio, Television 'Partial' *[KOHA JONE 20 May]* 3

BULGARIA

Press Center Denies Report on Berov Illness *[Sofia TV]* 6
Assembly Confidence Vote Seen as 'Disgrace' *[KONTINENT 27 May]* 6
Minister Discusses Delay in Defense Bill *[BULGARSKA ARMIYA 27 May]* 6
Decisions of BSP Council Session Issued *[DUMA 25 May]* 7
India's Sharma Addresses Assembly on Democracy *[Sofia Radio]* 8
Russia Wants To Pay Debt With Parts, Equipment *[Sofia Radio]* 9

CZECH REPUBLIC

Havel Views Role, Reform, CSFR Breakup *[SME 26 May]* 10
Alternative Security Guarantees Considered *[MLADA FRONTA DNES 24 May]* 11
Klaus Discusses Russian Repayment of Debts *[Prague Radio]* 11
Foreign Minister Zieleniec Views Export Policy *[HOSPODARSKE NOVINY 23 May]* 12
Military Experts Reject Idea of Neutrality *[MLADA FRONTA DNES 24 May]* 13

SLOVAKIA

KDH: Left 'Condemned' to Rightist Policies *[SMENA 23 May]* 14
Foreign Minister Addresses Stability Conference *[SLOVENSKY DENNIK 27 May]* 14
Breakaway Faction Head on Green Party's Split *[SLOVENSKA REPUBLIKA 24 May]* 14
Southern Slovaks Protest Changes to Laws *[SLOVENSKA REPUBLIKA 25 May]* 15
Hungarians Wish To Participate in Agreement *[MAGYAR HIRLAP 26 May]* 15
No-Confidence Vote Shows 'Cracks' in Coalition *[SME 27 May, etc.]* 16
Schmognerova Views Potential Risks to Economy *[HOSPODARSKE NOVINY 16 May]* 16

HUNGARY

SZDSZ Chairman Views Coalition Possibilities *[PESTI HIRLAP 31 May]* 19
Foreign Minister Views Achievements, Tasks *[NEPSZABADSAG 26 May]* 19
Union Leader Views Possibilities After Vote *[NEPSZAVA 27 May]* 20
Editorial Views Election Results *[MAGYAR HIRLAP 30 May]* 21
Political Scientist Analyzes Elections *[MAGYAR NEMZET 30 May]* 22

POLAND

Plant Denies Shipment of Arms to Iraq *[Warsaw TV]* 24
Kolodziejczyk Views NATO Integration Agenda *[RZECZPOSPOLITA 27 May]* 24
OPZZ, Aftermath of Solidarity Strike Examined *[RZECZPOSPOLITA 31 May]* 25
Minister Says No Bilateral Talks With Unions *[PAP]* 26
Finance Minister Presents 'Strategy for Poland' *[RZECZPOSPOLITA 30 May]* 26
Debt Reduction Talks With London Club Viewed *[NOWA EUROPA 1-2 Jun]* 27
IMF Assesses Country's Economic Policies *[ZYCIE WARSZAWY 31 May]* 28
EU 'Deliberately' Protecting Own Carriers *[NOWA EUROPA 31 May]* 28

Poll Results on Party Popularity Evaluated *[RZECZPOSPOLITA 31 May]* 29

ROMANIA

Iliescu Views Foreign Relations, Minorities *[DIMINEATA 21 May]* 31
New Army Corps Established in Iasi *[ROMANIA LIBERA 8 Apr]* 34

BOSNIA-HERZEGOVINA

Zubak Elected President of Federation *[TANJUG]* 35
Izetbegovic Proposes Negotiation Guidelines *[Sarajevo Radio]* 35
Bosnian Serb Assembly Session Opens *[Pale Radio]* 36
Serbs Reportedly Fire Tank Shells at Tuzla *[Sarajevo Radio]* 36
Akashi Protests Shelling *[AFP]* 36
Serbs Violate Cease-Fire in Sarajevo Zone *[Sarajevo Radio]* 37
Serbs Launch Day-Long Attacks on Gradacac *[Sarajevo Radio]* 37
Army Claims Ilijas Front Again 'Flaring Up' *[Sarajevo Radio]* 37
Sarajevo Radio: Serbs Intensify Brcko Attacks 37
Serbs Arrest Six for Suspected Arms Smuggling *[Belgrade Radio]* 37
Bosnian Croats To Use Kuna as Currency *[Zagreb TV]* 38
Serbs Reportedly Forced Into Muslim Units *[TANJUG]* 38

CROATIA

Tudjman, Bosnian Croats Discuss Accord Issues *[Zagreb Radio]* 39
Churkin on Efforts to Resolve Deadlock *[Zagreb TV]* 39
Krajina Serbs Extend Blockade on UN Convoys *[AFP]* 39
Foreign Minister Comments on Nonaligned Talks *[Zagreb TV]* 39
Tudjman Interviewed on Currency, Serbs *[Zagreb TV]* 40

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Berlusconi Offered Help Against Greek Embargo *[MIC 27 May]* 54
Minister Expresses Concern About Border Tensions *[MIC 30 May]* 54
Serbian Minority To Take Part in Census *[MILS-NEWS 30 May]* 54
Turkish Party Protests Census Structure *[MILS-NEWS 30 May]* 55
Serbs Propose Amendment to Constitution *[MILS-NEWS 30 May]* 55

SLOVENIA

Drnovsek Accepts Bizjak Resignation *[Ljubljana Radio]* 56
Drnovsek Discusses Conflict With Italy *[Ljulbjana Radio]* 56
Kucan Questions Upcoming Visit to Zagreb *[Ljubljana Radio]* 56

YUGOSLAVIA

Federal

FRY Excluded From Nonaligned Conference *[TANJUG]* 57
IMF Urged To Extend Status Deadline *[TANJUG]* 57
Navy Holds Tactical Exercise in Adriatic *[TANJUG]* 57

Serbia

Churkin Urges Adherence to 49-51 Percentage *[Belgrade TV]* 58

Montenegro

Sanctions Cost Over $5 Billion in Two Years *[TANJUG]* 59

Zhulali Views Importance of NATO Cooperation

AU2805155694 Tirana TVSH Television Network in Albanian 1800 GMT 27 May 94

[Text] As you have been informed in our newscasts, Safet Zhulali, defense minister of the Republic of Albania, took part in the annual meeting of defense ministers of NATO and the countries of the Partnership for Peace [PFP].

In his speech at this meeting, Minister Zhulali said that the Republic of Albania attaches special importance to cooperation with NATO. He said that the support and signing of the PFP at the highest level by President Berisha is a further element in the framework of cooperation, thus granting a possibility to prepare the Albanian Army on the road of accomplishing one of the most important goals in Albania's foreign policy, that of membership with full rights in the Alliance.

Underlining the situation in the region for a permanent solution to the problem of Bosnia and for a practical and preventive stance by the international community so as not to allow the spread of conflict to Kosova and beyond, he expressed the readiness of the Albanian democratic government to fulfill the obligations that derive from its presence in the cooperation process with NAKSI [expansion unknown] and PFP, as well as the determination of the Republic of Albania to be a factor of peace and stability in the region and Europe.

Rugova Discusses Albanian 'National Cause'

AU2705193994 Tirana REPUBLIKA in Albanian 22 May 94 p 3

[Interview with Ibrahim Rugova, president of the republic of Kosovo, by Elida Bucpapaj in Tirana; date not given: "The National Cause Is Very Tangible"]

[Text] [Bucpapaj] At the end of the international conference on Bosnia-Herzegovina, Warren Christopher announced that "the question of Kosova is being examined as part of the efforts to prevent the conflict spreading." Is this not very little, or does it conceal a subtext?

[Rugova] It is not little, because you are aware of the stance of the United States, declared by President Bush and subsequently by President Clinton and his administration, that it will not allow a conflict in Kosova or Serbian aggression in Kosova. I was personally pleased that this statement was also made on the occasion of the conference and before the Bosnia-Herzegovina contact group. As Mr. Christopher said, the problem of Kosova is, of course, the focus of conflict-prevention meansures, and it is important that it was mentioned in this situation, because I also sent a letter to the contact group recently, urging them to consider the issue of Kosova. These are, therefore, matters that should develop and should be watched, but I repeat again that it is of ultimate importance that the issue of Kosova was mentioned here too.

[Bucpapaj] Mr. Rugova, I believe that your Gandhi-ism is now well understood after a 26-month-long massacre in Bosnia-Herzegovina. What may the future show us?

[Rugova] Indeed, there has been understanding for what I call a peaceful movement, which some others call Gandhian, others political, and so forth. It is a good thing that it has met with international understanding. Of course, this has yielded its own results. The cause of Kosova has been affirmed, as has the Albanian cause. Albania's opening and involvement in international institutions have also been very important. As for the future, in the situation in Kosova today, we can continue to not respond to provocations, because it is in the Serbian interest to start a conflict, after which we do not know what would happen. You see the case of Bosnia. The war started easily, but is difficult to stop. It is therefore very hard and unpromising for the Albanians, but the organization we have achieved and our parallel systems and institutions have enabled us to survive and to resist, of course with optimism that the issue of Kosova will be solved. However, this will be a process of talks and negotiations. I can say that I expect a better future, but we must work. In politics, I favor tangible action, every day building a little something, so that step by step we create elbow-room under that savage occupation in which we find ourselves.

[Bucpapaj] Mr. Rugova, do you think that Britain has abandoned its traditionalist policy after Douglas Hogg's visit to Kosova?

[Rugova] Following the contacts we have had with Mr. Hogg, his visit to Albania two years ago, our meeting in London last December, and his recent visit to Prishtina, I can say his visit was very important as a significant gesture. It was not merely symbolic that he came to Kosova, because he visited all the centers, the capital cities, of the former Yugoslavia. I can say that Britain has shown great understanding of the Albanian cause and the issue of Kosova. Britain, as you know, is very well aware of the Albanian problem and the problem of Kosova. One hundred years ago, even at the time of the League of Prizren, Britain had very clear ideas about the unification of the Albanian territories; however, at that time, we were very weak diplomatically and politically. Today, Mr. Hogg said that we was interested in finding some solution for Kosova and in the start of some sort of dialogue and discussion. This was indeed his main aim, like that of many European countries that are interested in mediating and assisting. His presence in Prishtina was therefore important.

[Bucpapaj] Mr. Rugova, the 26-month-massacre in Bosnia-Herzegovina openly shows indifference at the highest international level. But, on the basis of the results of the Geneva Conference, with regard to territorial relations, what is your prognosis for the future of Bosnia-Herzegovina?

[Rugova] It remains to be seen whether or not Bosnia-Herzegovina will remain the same state as it was when it

was recognized, whether it will be partitioned according to the Bosniak-Croatian agreement on a federation and later a confederation, or whether this process of internal unification and further confederation will continue. Indeed I think that the international community is making efforts to stop the war once and for all and then see—but, as we see, it is very difficult. We can say that now that the war has begun it is difficult for the world to involve itself and, of course, states are wary of entering into a conflict whose end is unknown. The question is now whether Bosnia- Herzegovina will be divided or will remain, and whether the international community and the United Nations will remain true to their principles regarding countries or various territories they have agreed to protect. I also see this as a long process.

[Bucpapaj] In the light of history, mentioning here the League of Prizren in 1878, 1912, 1945, and so forth, Albania has had many historic opportunities, lost opportunities. Now, thanks to democratic processes, do we have a new historic opportunity?

[Rugova] If we look at matters so simply, we might consider these, from the perspective of today, as lost opportunities, but I mentioned earlier the League of Prizren and the years 1912, 1913, 1919, and 1945. It is a fact that today we are in a very different situation, I mean regarding Albanian potential. Kosova, even though occupied, has intellectual potential. The Albanians are no longer 80 percent illiterate as they used to be throughout the Albanian lands. However, today, we are also more-or-less handicapped because we have been invaded and subjugated; Albania has been isolated for 50 years and has been economically backward, i.e., with many problems, without contacts and friends. Friends are very important. However, in the last few years Albania has also revived and has opened up and become stronger. We in Kosova have asserted ourselves as an international entity, and so on, step by step. We must first create sympathy, then friends, and there is the chance today for a comprehensive Albanian policy. We possess diplomacy, which, although young, we are attempting to turn into an Albanian diplomacy. It is important to be organized and to have a thoroughly democratic orientation, because it seems to us that the word democracy has become a slogan for us. We must therefore preserve the democratic mechanisms that operate in Albanian society in Albania, in Kosova under the present circumstances, and in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], because democratic mechanisms ensure that the cause advances in an organized fashion. Today, we must draw lessons from what we may call these past opportunities, although they have their own place in history. Even the League of Prizren created an international precedent and raised demands; the Albanian problem was put forward for the first time, as the Ottoman Empire began to fall apart. In 1912 and 1913, we remained as a movement. It is another matter that we were not prepared and had no historical experience, but now let us draw lessons and not allow such situations to repeat themselves. Let us also take 1945, when territories were divided and redivided, what was Yugoslavia was federalized, and the borders between Italy and the former Yugoslavia were changed. In this sense, we must draw lessons. Even in the efforts we are making today, we must do something for the future. As a generation, this burden has fallen to us, as in 1945, 1913, 1918, and 1986. We have an advantage and must use this opportunity to the utmost. There are therefore many opportunities for cooperation between these democratic mechanisms in Kosova and Albania. Of course, the economic revival coming to Albania is a very important factor. Even in Kosova, under these conditions of occupation, people are making ends meet; there is an economy, and there is human solidarity. Similarly, let us use the diaspora for our common good and organize it. In all events, it is an opportunity. Now I do not want it to remain a mere opportunity, and let us keep it open.

[Bucpapaj] Even after Mandela's victory in South Africa, a typically colonial apartheid system like that in Kosova exists in the middle of Europe. Will a limit be reached here? [sentence as published]

[Rugova] This is happening. This apartheid is continuing and being strengthened in Kosova. Of course, it will have limits and I hope that it will not persist like in South Africa. This is not a racial apartheid, because both we Albanians and the Slavs are Europeans. However, it is an ethnic racism, and we see tragedy in Bosnia, Croatia, and also in Kosova, where there is emigration because of repression. We are working to ensure that it does not last long, and it is important today that international attention is focused on this apartheid and discrimination in Kosova and has called it by its true name.

[Bucpapaj] Mr. Rugova, your frequent presence in Tirana suggests the coordination of viewpoints and options with the policy of Tirana. Can you add something here?

[Rugova] Perhaps this is not the first time, but it is the first time in 50 years, if not since 1918, that we have begun to work together in the political sphere. This is very important. As you know, since 1918, and indeed since 1912 and 1913 when Kosova was invaded, under Montenegro, Serbia, and the former Yugoslavia we have unfortunately never had positive cooperation with the mother country. Even the war ended without any cooperation, if we look at matters as events. Now we have managed to create this cooperation. President Berisha, myself, and the Albanians in Macedonia now act. It is extremely important that we should meet and contact each other. Of course, in the last few years, I have passed through here almost every month, because that is the way I travel for security reasons. Sometimes I joke that Tirana Airport is the safest in the Balkans, but there is another side to this. It means I travel on Albanian soil. However, it is very important today that we see each other, meet, and create a comprehensive Albanian policy. It is good fortune that President Berisha, the Albanian Government, the parliament and the people

support Kosova. There is understanding, and this is guarantee enough. We must continue in this direction.

[Bucpapaj] Mr. Rugova, do you place any hopes in the results that will emerge from the census of the Albanian population in Macedonia?

[Rugova] The problem of elections is still being discussed. I do not know if any decision has been made to announce this census, which was to be held in June. It would be a good thing, and I have spoken with Albanian political parties and groups in Macedonia about this, to be organized, for the Albanian deputies who are in power, and the Albanian ministers too, to make preparations to ensure that there is as little rigging as possible, as little speculation as possible, and for the real figures to emerge. I have asked for, and we are working for, the best possible preparations, whether this census is to be held in June or in the autumn, because it is a census to be held under international supervision and on this census will depend the involvement of the Albanians in the institutional structures of the Macedonian state as an ethnic and Albanian community on its own territory. We must, therefore, be serious.

[Bucpapaj] Mr. Rugova, what advice would you give this pluralist and multiparty newspaper in Albania in this tragic situation that has overtaken the Balkans?

[Rugova] Since we are all in this maelstrom, I pray to God that we will emerge from this situation as easily as possible, because wars today, as we see in Bosnia, are tragic. The weaponry is not equal, and it is not an equal struggle. As I said earlier, we have found ourselves in a very serious situation and must be careful in everything. As for Albania, I think that the results of the last two or three are very great. We must all understand that we too, beyond the current borders, are concerned and watch Albania in admiration for every effort it is making. I think that a sound basis has been created, and that good democratic, institutional, and economic foundations have been laid. Every month in the last two years, I have noticed changes, economic revival, and willpower among people. Of course, we cannot expect changes within one or two years, but sound foundations are being laid. Albania and all Albanians have now accepted pluralism. Here we must find paths of coordination, harmonization, and agreement. Of course, if we mention the government's position we must realize that these are elections for a four-year or eight-year mandate. The political parties, groups, and associations must make efforts to prove themselves, not to bring down so-and-so or to back so-and-so. They must prove themselves, always within that mighty structure we call the national cause, which I do not wish to remain a slogan, a romantic phrase, or a piece of socialist romanticism, but something tangible. The national cause is very tangible, and we must see each other, meet each other, and travel, breaking down these borders and within them building an Albanian society wherever we are. We must therefore find an understanding, despite the difficulties, and I again say, not as a slogan, that we must work continually. Understanding is the basis of national interests. Among ourselves, we are all of one blood, one people. However, like a family, we must find understanding; otherwise we cannot get on. This is also the basis of democracy and the basis of society, but I believe that we are successfully taking the first step.

Official Claims Radio, Television 'Partial'

AU3105180394 Lezha KOHA JONE in Albanian 20 May 94 p 5

[Interview with Kujtim Ymeri, member of the Management Council of Albanian Radio-Television, by Ilir Keko in Tirana; date not given: "Albanian Radio-Television Is Politically Partial and Not Independent"]

[Text] [Keko] It has now been some time ago since numerous remarks appeared in the press regarding our national Radio-Television's position and role. Do you think these remarks are fair?

[Ymeri] Unfortunately, the activities of RTSh [Albanian Radio-Television] deserve most of the remarks, not only those of the press, but also those of our political and cultural personalities and of international bodies or their representatives.

[Keko] How would you, briefly, summarize some of RTSh's shortcomings?

[Ymeri] A shortage and distortion of information, the barring of alternative opinions, and an open political stance.

[Keko] Let us take the issue of information....

[Ymeri] It is very difficult, if not impossible, to learn from radio and television information programs what is going on in Albania. In these programs you can find virtually all the meetings of our president, our prime minister, and other ministers; you can learn that a minor thief or ordinary murderer has been caught, you hear every single declaration of the Democratic Party [PD] and its offshoots, you can follow rosy reports on Albanian existence, but serious events of our political, economic, and social life are either passed over in silence or viewed according to the official version. I do not know a single case of our television having taken the lead with its own information or any example of professionalism having prompted a RTSh journalist to refute official communiques with actual facts.

[Keko] Do you think it is a matter of a lack of professionalism?

[Ymeri] No. I think that in spite of the massive purges that have occurred among the RTSh journalists, there are still many capable journalists left who like their profession and know it well. The same thing can be said about the newcomers. You can of course come across incompetent journalists, uncultured ones, some of whom are running important departments. But it is not here that the root of the evil lies. In the final analysis, one can

blurt out the truth. The principal reason for this situation is that RTSh's activities are subject to strict political censorship.

[Keko] You spoke about RTSh's political stance and the exclusion of alternative opinions....

[Ymeri] ...which are not only an infringement of the law, but also a violation of the basics of a democratic state. It is a known fact that RTSh's microphones and cameras are closed to any kind of criticism of the state or to any alternative way of thinking about politics, economy, and international relations. They are closed to the opposition and forbidden for prominent figures of our culture, even to august and respected international bodies, if they give vent to "heretical" opinions.

The RTSh has, on the one hand, undertaken, in an illegitimate way, to "denounce" all the activities of the opposition forces, but on the other hand, it never acknowledges their legitimate right to express their own opinions.

The European Parliament endorsed a special resolution on Albania underscoring the violation of basic human rights and the freedom of the press, but the RTSh kept silent for a time, pronouncing itself only after governmental bodies reacted by putting together their response to the resolution in a remarkably primitive style. Let us compare this fact with the ridiculous hullabaloo that we heard about a survey carried out by Euro-Barometer.

Here is another example: Let us remember Professor Rexhep Qosja's criticism of the policy of our government and president. The RTSh did not publicize a single article by R. Qosja, whereas it was quick to broadcast, with gleeful alacrity, our president's reaction to his criticism. We can therefore safely affirm that our "national" RTSh has declared a total embargo on Professor Rexhep Qosja ever since.

Still another example: Several months ago, the doors of the RTSh were open to Mr. Kalakula, who was one of the PD's top leaders. Nobody even ventured to censure his fascist-type declaration made in parliament. However, these ever-growing contradictions with the PD sufficed to make him a target of smear statements and accusations, broadcast by the RTSh. Personally speaking, I do not feel the least sympathy for Kalakula's political viewpoints. Nevertheless I cannot help admitting that he should have been given the right to respond to those attacks.

[Keko] What then should be, according to you, the RTSH's role in Albanian political life?

[Ymeri] As an impartial institution, the RTSH cannot remain outside politics, neither can we ask for such a thing. The RTSH must, however, be an objective mirror of our political life, reflecting the stands of different political forces, both for and against the government, without ever undertaking to play the role of a referee in the competition among political parties.

In reality, however, just the opposite is happening, a typical example being the way how they went about the "Nano affair." It remains a fact that the RTSH went out of its way to keep Nano's trial hush-hush, and those who were looking forward to following this event with interest were disillusioned. If "smothering" Fatos Nano's declaration was, technically speaking, an easy thing to do, the pains taken to back up the indictment and the judicial bench were really heroic. I can imagine the fatigue of editing, making "cuts" and "patchwork" phrases in order to concoct a chronicle that was the fruit of betraying one's profession, civil honor, and dignity.

It seems to me, however, that we are asking too much from such department heads and journalists, who never dared to rise up and voice their support for their colleagues sacked by the RTSh, for their fellow-professionals who were put in prison. Besides, they did not utter a word in support of one of their colleagues who was beaten up by the bodyguards of some government dignitary. It, therefore, comes as no surprise that one of the these maltreated journalists puts together servile commentaries on Fatos Nano's trial. Under such circumstances, there is simply no room to speak of human dignity, let alone professionalism!

[Keko] Who is running the RTSH, according to your opinion: the president, the government, the PD, or someone else?

[Ymeri] I do not see any essential difference within this trio. Their policy is the same, their goals also. It is natural to think that the branch that has got most weight in his trio is the one that decides. One thing is clear; when you see the RTSh's teams running after the PD leaders escorted by a suite of ministers, and following their every step, when you see press conferences and reports on visits concocted on no criteria whatsoever, it becomes evident that the RTSh has been relegated to the position of a private taxi: Aside from the fact that, in this particular case, it is the state that pays for the petrol.

[Keko] What would you say about the Management Council's role?

[Ymeri] The Management Council has almost been converted into a formal rubber stamp. Its rare meetings are postponed indefinitely, especially in moments of political "crises." All important issues are resolved outside this council and more often than not its members are confronted with a fait accompli. The same thing happened with the dismissal of the RTSh's employees. Naturally, we, I and other of my colleagues, voiced our concern and objections at our council's meetings, but the result was such as you can see for yourself today.

[Keko] Do you think the RTSh is heading for a new cycle of single-party propaganda?

[Ymeri] A tendency toward control, circumscription, and censorship is becoming more and more evident. We can compare the present with the past, but not the monist [single-party rule] period. In this respect, the fact

should be mentioned that, as far as economy is concerned, the state compares the present situation with that of 1992, whereas when it comes to democratic freedom and rights it makes comparisons with 1989. Let us now compare the RTSh of 1991 with today's RTSh. There is no doubt that, even though we were just coming out of a period of single-party rule, the degree of freedom of speech and information we enjoyed at that time was higher than today. Thus, ever since, we have been heading for restrictions on the freedom of information and the expression of opinions. The RTSh is on the verge of being converted into an entirely party and government instrument. I believe and hope however that this will not happen. I am even certain that the RTSh will soon take the place it deserves in our country's political life and national culture.

[Keko] Do you base your belief on the prospect of a forthcoming political change?

[Ymeri] Not only on this. It is everybody's feeling that the number of those who have remained disillusioned by the new situation, who are tired of trials and discrimination, of demagogy, and unprincipled political life, is growing rapidly. This will, of course, lead to political changes, which will create a new climate in the state-owned RTSh's activities. I entertain this belief, relying also on a number, by no means small, of journalists of this institution, who, regardless of their convictions, have their own viewpoints, which differ a lot from those of the RTSh's present leaders and controllers. I hope that the changes in the RTSh's activities will precede the political change you were speaking about. Professional journalists always have a lucid and incisive intuition, enabling them to properly distinguish the requirements of the time.

[Keko] Now a question about the RTSh's satellite program: Word reaches us that this programme is threatened with closure and that the RTSh has run up a debt of $600,000 because of satellite transmissions. Is it so, or what is the truth?

[Ymeri] As far as I know, the problem is not so dramatic. At least at the Management Council's meeting, where this problem was discussed, it was not treated in such tones. It is true that there are financial difficulties. Here I want to explain that, according to the contract concluded between the RTSh and the Radio-Television of Kosova, the transmission expenses would be borne by the latter and not by the RTSh. As our Kosovar colleagues explain, these financial difficulties have emerged as a result of the fact that the bank accounts in the countries where the Kosovar emigrants are living have been delayed. It has been impossible therefore to collect their financial contributions to the desired degree. There is no doubt that the closure of this program would be regretful, and I hope this handicap will be overcome. I would like however to add in this respect that improvements in the RTSh's programs will certainly boost the interest of the Albanians living outside our state borders. Here I have in mind what I already mentioned above: If there is discontent about the RTSh in Albania, it cannot happen otherwise in the diaspora or elsewhere.

Press Center Denies Report on Berov Illness

AU3105193994 Sofia Bulgarska Televiziya Network in Bulgarian 1700 GMT 31 May 94

[Text] At a news conference today, the Fatherland Party of Labor and George Ganchev expressed regret that Professor Berov had been readmitted to the government hospital. On hearing this, the Government Press Center was not slow to react, describing such reports as false. It added that Prof. Berov had three official meetings in the government offices today: with the Japanese and Argentine ambassadors, and with a Russian Government delegation.

Assembly Confidence Vote Seen as 'Disgrace'

AU3005172294 Sofia KONTINENT in Bulgarian 27 May 94 p 4

[Commentary by Genka Markova: "They Embraced Disgrace"]

[Text] The government received a vote of confidence. Long live the parliament!

Today, now, this very moment, there is no glory for the Bulgarian politicians.

Long live the disgrace!

Some 125 people's representatives opted for the disgrace! They opted for prolonging the country's agony, hoping that, thus, they can prolong their own agony at least until the fall. At least this is how things look now. After exhausting haggling and consultations it became clear that the ugly and cynical trading ostensibly related to the fate of the cabinet is actually a life and death struggle for the parliament's fate.

During the last, tumultuous, parliamentary-political week, the people saw the naked truth about their politicians. It became pitilessly clear that the moral value of the Bulgarian deputy is catastrophically low. Against every political, human, and medical logic, the talks related to reshuffling the cabinet will begin again.

This is the situation, people!

A few days before their disgraceful spectacle, a deputy said that it is not the cabinet that is wrong, but the people who sent such deputies to the parliament. Actually, this specific deputy also was a prime minister and the sweet pleasures of his tenure are still fresh in our memory.

The petty, secret, and tactical games until the last moment yesterday night, and even during the voting itself, exceeded the elementary norms of political moral. Cynicism replaced the oath of the Bulgarian deputies that they will be led in all their actions by the interests of the people. Is there anything common between the cabinet's policy, the implementation of the economic reforms, and the interests of the people? There is no need to answer this question.

The agony of our state has continued for several months already and new complications are yet to appear. The parliament decided to hide behind the government by giving it its vote of confidence for the future, despite the fact that the government has done nothing in the past.

The Bulgarians are traditionally generous toward their inept politicians. Thank God, however, that they have not lost their memory!

Minister Discusses Delay in Defense Bill

AU3005204194 Sofia BULGARSKA ARMIYA in Bulgarian 27 May 94 p 1

[Interview with Defense Minister Valentin Aleksandrov by Georgi Kardanov in Sofia on 26 May: "Current Political Situation Should Not Affect Subordination in the Army"]

[Text] Despite the heavy parliamentary program connected with debating the vote of confidence requested by Professor Berov and the tension surrounding some government ministers, before the secret ballot began, Defense Minister Valentin Aleksandrov found time to grant a brief interview to a BULGARSKA ARMIYA reporter.

[Kardanov] Mr. Minister, if the government obtains a vote of confidence, what will be the first matter that Minister Valentin Aleksandrov will address?

[Aleksandrov] Along with these demands for the government to resign and these numerous votes of confidence that have been moved, a considerable number of problems have accumulated that require solutions, so how can one decide which of them is the most pressing? I have the feeling that some officers seem to have forgotten that the most important thing in the army today is to obey the orders of one's superiors. Regardless of the current political situation, this subordination, as well as order and discipline, must be strictly observed in the army and the armed forces, otherwise we will have no army. During this severe political crisis, it is clear that an extreme psychological load is placed on the troops, which is especially harmful for subordination.

[Kardanov] Certain parliamentary forces and political circles have supported the view that your demand for certain high-ranking officers to be retired has created tension in the army. What is your counterargument?

[Aleksandrov] Look here, the General Staff has carefully drafted a plan that completely conforms with my views, so that the dismissal of the officers concerned is completely within the order of things, and it will take place in the fall. I do not see any grounds for tension as a result of this fact, or at least cannot not accept the force of these grounds, even in the event that the Defense and Armed Forces Act is not passed, and I personally cannot undertake to affirm that parliament will indeed pass it.

[Kardanov] You mentioned the words "in the event that the Defense and the Armed Forces Act is not passed...." Prime Minister Lyuben Berov's short-term program envisages passing the law before the end of June, yet yesterday Ahmed Dogan, chairman of the parliamentary group of the Rights and Freedoms Movement, told a reporter that one should not be too hasty to pass the law, that it is a very extensive piece of legislation, so that there is hardly likely to be time to pass it. What is the true situation?

[Aleksandrov] I cannot say which is best, but in any case the The Defense and the Armed Forces Act should be carefully examined from all angles. It is better for us to continue to work with the existing law to give time to precisely formulate the new legislative material. I do not want to commit myself to making a personal assessment of the bill that has been submitted, because I am the proposer. In any case, we cannot influence the politicians and legislators regarding their priorities. On the other hand, this issue has begun to be interpreted too much on a personal level, and for this reason I prefer to make no comment.

[Kardanov] The National Security Commission is doing everything possible to speed up the ordering of all the amendments and proposals connected with the defense and armed forces bill, so they can be passed on to the Legislative Commission and reach the parliament voting stage more quickly.

[Aleksandrov] Yes, it is true that the National Security Commission is well advanced with preparing all the passages of the bill, but nevertheless one should not be in too much of a hurry, so as to avoid having to pass a new law in a year or two.

[Kardanov] Minister Aleksandrov, even if the defense and armed forces bill, which is supposed to provide the legislative basis for the democratic reform in the Armed Forces, is delayed, at least the Law on the Consultative Council on National Security was passed. Are you satisfied with the work of this supreme body, which is supposed to coordinate the efforts of all the country's institutions that are concerned with national security?

[Aleksandrov] Yes, I have twice attended sessions of the council and I can say that both times they debated important issues of national security that had a positive effect. This gives me good reason to hope that it will also continue to do useful and constructive work in the future.

Decisions of BSP Council Session Issued

AU3105194394 Sofia DUMA in Bulgarian 25 May 94 p 8

["Resolution of Supreme Council of Bulgarian Socialist Party and Socialist Deputies," adopted at the Bulgarian Socialist Party Supreme Council plenum held in Sofia on 21 May]

[Text] The joint meeting of the BSP [Bulgarian Socialist Party] Supreme Council and the Socialist deputies held in Sofia on 21 May, after analyzing the deepening political crisis comprehensively, resolved as follows:

1. The BSP Supreme Council and Socialist deputies authorize the BSP parliamentary group to reach a decision on supporting or rejecting the vote of confidence that the prime minister has requested, depending on whether acceptable proposals are made on changing the government's membership and policies. If no such proposals are made, there will be no grounds for supporting the government. In such an event, the only solution will be to hold free democratic elections as soon as possible.

Our position is dictated by our conclusion that, with its present membership and activities, the government does not enjoy the degree of trust needed to resolve the real and grave problems facing Bulgaria today.

2. The BSP is ready immediately to join bilateral and multilateral talks under the aegis of the prime minister. The purpose of these talks would be to try to revise the unacceptable points in the Council of Ministers's program of 18 May and provide legislative guarantees for carrying out the most important tasks included in this program.

3. The BSP proposes including the following commitments in a framework agreement:

—The Council of Ministers should compensate the population's incomes, which have fallen drastically as a result of the price shocks in March and April 1994; it should repeal the section of Council of Ministers Decree No. 77 that froze the pay of employees in the state-financed sphere; and it should immediately reactivate the work of the National Council for Trilateral Cooperation.

—The parliamentary groups that support the government should pass the following legislation: in June 1994, the changes in the Privatization Act and privatization programs; in July, the Law on Defense and the Armed Forces; and, before the end of the summer session, the necessary laws on holding free democratic elections, as well as continuing work on the bills on protective bankruptcy and insolvency.

4. The BSP considers that the initiative that the president of the Republic of Bulgaria took on 20 May 1994 can be discussed when the constitutional need arises, within the framework of the mandates held by the parliamentary groups for forming a new government. The BSP reaffirms its determination not to participate in any attempts to form within the term of the present parliament a new government along the lines of political confrontation, revanchism, or restoration of the old regime.

5. The BSP reaffirms its unchanged position that Bulgaria's main problems can only be solved by constructive political dialogue. At the final stage of concluding the

agreement on the foreign debt, any government must win broad parliamentary consensus, based on an analysis of the internal and external resources for financing the debt and the country's ability to bear the burden.

6. The BSP Supreme Council and Parliamentary Union for Social Democracy [PSSD] confirm the mandate given to the BSP Executive Bureau and the PSSD leadership to analyze the situation, define the position of the BSP, and conduct negotiations.

India's Sharma Addresses Assembly on Democracy

AU2705115794

[Editorial Report] Sofia Khorizont Radio Network in Bulgarian at 0758 GMT on 27 May begins a live relay of the morning session of the National Assembly in Sofia, where Indian President Dr. Shankar Dayal Sharma is scheduled to address deputies.

At 0801 a correspondent reports that Dr. Sharma's arrival seems to have been delayed, and proceeds to summarize the proceedings of the preceding ministers' question time session. He says that Prime Minister Berov answered a Union of Democratic Forces (SDS) question on the government's financial policy, following which an SDS vote of censure was defeated. After this, Industry Minister Rumen Bikov answered a question on the Neftokhim Oil Refinery.

At 0810 GMT the correspondent announces the arrival of Dr. Sharma. National Assembly Chairman Aleksandur Yordanov formally introduces Dr. Sharma and invites him to speak.

Dr. Sharma begins his speech in his native language, with a simultaneous Bulgarian translation read out by the correspondent. After a formal expression of thanks, he reviews the development of the young Indian democracy, praising the key contribution of Nehru, and quoting his words: "Democracy is not merely a political and economic matter, but something linked with reason. It includes the maximum equality of opportunity for all people in political and economic respects; and it includes liberty for the individual to develop his best qualities." He notes that this year is the 30th anniversary of the death of "the outstanding world leader" Jawaharlal Nehru, "who provided an invaluable contribution to the cause of parliamentary democracy," whose spirit "is present today in the life of the institutions and processes of democracy in India," and "whose contribution is of immense importance for the dynamics of politics throughout the world."

At 0821 GMT he offers India's warm greetings and good wishes to the Bulgarian parliament, "democratically elected as the result of the first multiparty elections in your country." He reminds the deputies: "You represent the will of your people."

Dr. Sharma then reviews the historical development of "spirit of democracy in India." He notes that "the Buddha's legacy and testament" "influenced the establishment of pluralism and harmony." This and the ancient Vedic teachings are "key concepts" that lie behind present-day political life in India. Further to this, Dr. Sharma notes, "respect for the law is a permanent feature" of our spirit. "In our society, the law is historically identified with the truth, and not merely as a mechanism for ensuring law and order." He reviews the development of basic elements of parliamentary democracy in ancient India, including "the establishment and functioning of a representative assembly,... quorums, open voting, and secret ballots." He says "this created a lasting tradition of democratic mechanisms," and notes the important role of the traditional rural councils in India.

Further, Dr. Sharma notes that "these democratic traditions and values substantially influenced the main features of our liberation movement," based on the campaign launched by Mahatma Gandhi in the name of "human liberty, dignity, and nonviolence." He emphasizes the peaceful and nonviolent nature of the independence struggle.

The Indian president goes on to declare that "parliamentary democracy is the political system that most suits the cultural character and political aspirations of India." He notes that "elections are a key aspect of the democratic process," and that almost 280 million voted in the last Indian parliamentary elections. However, Dr. Sharma says, "democracy is not only a matter of elections." He points out that "true democracy is a synthesis of the rights and obligations of the individual and the state," that "democratic politics personify the principles of consistency and change that are so important for the life of a nation," and that "discipline and restraint are decisive elements that determine whether a democratic system develops or disintegrates." He says that "democratic consensus and national development can only exist when peace and understanding are present," and that the equality of all citizens before the law is also an important component.

At 0832 he refers to the recent visits of the chairman of the lower house of the Indian parliament to Bulgaria, and of National Assembly Chairman Yordanov to India with a parliamentary delegation. He hopes that these fruitful parliamentary contacts will continue and develop, promoting cooperation and mutual understanding. Dr. Sharma ends his formal speech at 0835.

National Assembly Speaker Yordanov thanks Dr. Sharma for his exposition of the principles governing democracy as developed in India. He assures the Indian president "that your visit to the Republic of Bulgaria really opens a new page in the relations between our two countries," and then declares a 10-minute recess. The relay ends at 0838.

Russia Wants To Pay Debt With Parts, Equipment

AU3105135094 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 31 May 94

[Text] On 31 May Oleg Lobov, chief secretary of the Russian Federation Security Council, and the deputy ministers and experts accompanying him had a meeting with Prime Minister Lyuben Berov.

Mr. Lobov conveyed the cordial greetings of Russian President Yeltsin and Prime Minister Chernomyrdin. Both think that full Bulgarian-Russian relations must be restored in all spheres—defense, transportation, economy, culture, health protection, and so forth—as soon as possible, Mr. Lobov told the Bulgarian prime minister. After the meeting at the Council of Ministers a protocol was signed on the talks that were conducted between the Bulgarian and Russian delegations.

Oleg Lobov, chief secretary of the Russian Federation Security Council, and Deputy Prime Minister Evgeniy Matinchev, chairman of the Interdepartmental Council on Issues of Military-Industrial Complex, initialed an agreement on establishing a Bulgarian-Russian Intergovernmental Commission on Cooperation in the Defense Industry.

Regarding the issue of the Russian debts to Bulgaria, Lobov said his country insists on paying the debt with spare parts and equipment for the Bulgarian Army, as already agreed. He expressed his hope that trade between the two countries, which according to Russian statistics increased 30 percent in 1993, could increase even more during the current year. Lobov views with favor the possibility of Bulgaria becoming a distributor of Russian gas in the Balkans.

Havel Views Role, Reform, CSFR Breakup

AU0106112794 Bratislava SME in Slovak 26 May 94 pp 1, 3

[Interview with President Vaclav Havel by Premysl Svora; place and date not given: "Our Relations Will Never Be Standard Ones"]

[Text] *Czech Republic President Vaclav Havel arrives today on a one-day working visit to the Slovak Republic. Apart from holding talks with his Slovak counterpart, Michal Kovac, he will also meet Prime Minister Jozef Moravcik, representatives from nongovernment organizations, and a group of intellectuals. He will visit the Society for Foreign Policy and, in the evening, he will attend a theater performance of Cyrano de Bergerac. Prior to his visit, Vaclav Havel granted an interview to our daily.*

[Svora] Mr. President, the Czech Republic is of late becoming ever more distinct from the other postcommunist countries. What do you think of this? Not so long ago, you said that the term postcommunist country should no longer be used....

[Havel] First of all, I would like to emphasize that, in the statement you quoted, I was not insisting that the Czech Republic be described differently from the other countries convulsed by communism. This term should not be applied to any of these countries. Of course, it depends on what we mean by the term postcommunist country. I had in mind the period in which communism had been overthrown, but in which not all of the state's democratic and political structures had yet been established. I meant that the aforementioned term should be applied to this transitional period. If we perceive this word in this way, then the time has come for us to stop using it. Free elections have been held in all of these countries, political parties have been formed, and democratic mechanisms have begun to function normally. If, however, by the term postcommunist country we mean countries in which there has been communism at some time, then we may be described as postcommunist countries for the next 100 years.

[Svora] All the same, the Czech Republic has—in a certain way—become singled out from the transforming countries by its economic results in particular....

[Havel] It is perhaps true that the macroeconomic indicators are better in the Czech Republic than in other states. There are various reasons for this. First and foremost, the Czech lands have always been industrially more developed. This, however, is not the only reason. It has also asserted rapid economic transformation. The fact that the Czech Republic is better off from an economic point of view should not have any political consequences. I think that the principle of solidarity should apply in the Central European region.

[Svora] Like Presidents Kovac and Walesa, you have indicated more than once that you do not want to be merely an inactive observer of political development. However, your activities often meet with a lack of understanding on the part of the other elements of power. How do you perceive the role of a president in our geopolitical region?

[Havel] It ensues incontrovertibly from the constitutional division of power in the state that each [element] enjoys a differently enshrined form of jurisdiction and a different type of legitimacy. This has its advantages. For example, when there is a change in the government, the president comes to the forefront and represents the continuity of power and so on. There is a certain tension between prime ministers and presidents in all countries, not just in ours. However, it is perceived much more sensitively in view of the long absence of a democratic system. The same thing holds true for all presidents, however; they should not fulfill merely a ceremonial function. In this case, the question would arise whether the function of president could not be carried out concurrently, for example, by the prime minister.

[Svora] The aforementioned triumvirate of presidents is also linked by something else: They are in office more or less without those with whom they had cooperated closely in the past. Which of your former friends do you still have left?

[Havel] I am a conservative person. If someone is my friend, then he remains a friend for life. It just so happens with my friends from dissent that sometimes they are involved more in political life, sometimes less. I meet with some often and with others seldom; sometimes our views are similar, other times they are not so similar. However, this should not—and does not—alter the fact that we are still friends. Despite the fact that I have little time, I meet with all sorts of people, including my old friends. Every two weeks, I organize a meeting with various personalities in the presidential Amalia residence. Around 300 different people have already taken part in them.

[Svora] You once said in an interview for the former SMENA that you do not want to be a president-grave digger. Despite this, you were the last Czechoslovak president. With the passage of time, what is your assessment of the breakup of Czechoslovakia?

[Havel] For many citizens in the Czech Republic, and also in Slovakia, the breakup of the Federation came as a real blow. They were used to a homeland that had a different dimension, not only geographically, but also culturally and historically. And, all of a sudden, this homeland diminished in size. However, thanks to the decent way in which the breakup took place, people have come to terms with it relatively well.

I resigned from my post as federal president for various reasons. One of them was that I did not want to stand in the way of a development that I saw as irreversible. And I had to. Undoubtedly, I would have been faced with the task of signing the official law on breaking up the state. How could a president who had sworn his oath of office

on the Czechoslovak Constitution sign this law? It seemed to me that I would make the situation easier for everyone if I resigned.

[Svora] The number of voices calling for standardized Czech-Slovak relations is increasing in the Czech Republic. In principle, apparently, there cannot be any difference between Australia, Portugal, and Slovakia....

[Havel] I believe that order makes friends. We are two states and we must have the basic attributes of statehood. We have our ambassador in your country and you have your ambassador in our country, we have a demarcated border, we have customs officers, and so on. It is necessary to have these basic attributes of statehood. This does not mean, however, that if we have standard requirements, we also have to have standard relations. We will always be linked to such an extent by our common history and similar language that our mutual relations will never be standard ones.

[Svora] What do you expect from today's visit to Slovakia?

[Havel] I am looking forward to my talks with President Kovac. I am curious about his interpretation of the current political situation in Slovakia prior to the early parliamentary elections. I expect not only a further exchange of views on various topics, but perhaps also an agreement on certain standpoints and initiatives.

Alternative Security Guarantees Considered

AU0106093994 Prague MLADA FRONTA DNES in Czech 24 May 94 p 2

["km"-signed report: "Experts Believe the Presence of the United States in Europe Is Necessary"]

[Text] Prague—Experts from the Institute for International Relations claim that the only security guarantee for the Eastern European countries is the presence of the United States in Europe and partnership. If, for any reason, the influence of the United States abated, the entire Europe would be, according to them, in a security vacuum, and only the Western European Union led by Germany could assume the initiative. Diplomats and military experts believe, however, that this organization is not a sufficient counter force to the military power of Russia.

Moreover, the German concept of European security might lead to the transformation of the region of Central and Eastern Europe to the sphere of economic, cultural, and eventually also political influence of the FRG.

Nevertheless, the experts, who prepared the documentation for the government analysis of the security situation, expect that the security of Europe will continue to be guaranteed, above all, by the North Atlantic Alliance. The security system in Europe will be, according to them, with the highest probability connected with the U.S. concept of the European and world security.

The analysis allows for only a marginal probability that the world could again become bipolar. This could occur only if the democratic development in Russia slowed down or turned around and, at the same time, NATO could not be transformed. "The security of Central European countries would thus become for the North Atlantic Alliance, from the point of its own security interest, irrelevant," the experts claim. The possibility that the development in Europe could be significantly affected by the power aspirations of Russia is, according to them, not likely.

Another of the not very likely alternatives mentioned in the analysis could occur if the great powers—the United States, Germany, Great Britain, and Russia—agreed on a system of balance of power and interests on the European continent. Under these circumstances, the small countries would be eliminated from the decision-making process, and their future would depend on the situation worldwide.

Klaus Discusses Russian Repayment of Debts

LD3105183694 Prague Radiozurnal Radio Network in Czech 1615 GMT 31 May 94

[Interview with Prime Minister Vaclav Klaus by station editor David Stahlavsky; place and date not given—live or recorded]

[Excerpts] [Stahlavsky] [passage omitted] Regarding our relations with Russia. You have met Andrey Vavilov, first deputy finance minister of the Russian Federation. How happy are you with the attitude of our former big brother to the debt owed to our small country, particularly as this debt is not negligible, if we take into consideration the size of our country. Is there not a danger that by having our debt repaid we will get ourselves into a new form of dependence on Russia?

[Klaus] Somebody keeps going on about this. I must be really arrogant, as everybody says, because since 15 May I have repeatedly said that any sort of dependence on Russia is completely out of the question. No one would dream of it. I do not know where this idea has come from. We are simply trying to get something back for our debts; this is our only aim. We have no other conditions and Russia does not attach any. I think this is really a fabrication by some politicians, perhaps Mr. Daniel Kroupa or someone. [passage omitted]

Russia has enormous debts, and not only to us. Its total debt is a hundred times bigger than what it owes to the Czech Republic. It must repay it at some point. We cannot have any illusions that Russia would repay us earlier than the rest of the world—we are not the center of the world. [passage omitted]

Foreign Minister Zieleniec Views Export Policy

AU0106100394 Prague HOSPODARSKE NOVINY in Czech 23 May 94 pp 1, 11

[Interview with Foreign Minister Josef Zieleniec by Milos Sklenka; place and date not given: "Supporting Export Is Part of Diplomacy, but the State Cannot Conduct Trade on Behalf of Enterprises"]

[Text] [Sklenka] After the former Federal Ministry of Foreign Trade had been abolished, jurisdiction over the control of foreign trade was divided between several sectors, one of which is the Foreign Ministry today. Setting aside the fact that foreign partners very often do not know whom to address, do you not think that the control over this vital sector of the national economy has lost some of its operational effectiveness and efficiency?

[Zieleniec] I resolutely reject the use of the term "control of foreign trade," since the conditions for the functioning of the entire economy, and foreign trade as a part thereof, have to be created in cooperation among many ministries. Specifically, foreign policy creates general prerequisites for the development of trade, it opens political opportunities, and sees to it that our entrepreneurs are not discriminated abroad, and so forth.

This, however, has nothing to do with the control of foreign trade. The control of foreign trade is exactly what we had here in Czechoslovakia under communism. The fact that we have got rid of it shows how far we have progressed in economic and institutional reforms. If we want our foreign trade to become an organic part of our economic life—which is based on private initiative—then we have to create equal conditions for both foreign and domestic trade.

[Sklenka] I do not want to argue about little words, but a number of post-communist countries, and also industrially advanced countries, have, within the framework of their state administration, certain bodies for controlling foreign trade at their disposal, such as ministries of external economic relations.

[Zieleniec] A ministry of external economic relations is something other than the Ministry of Foreign Trade. In the Czech Republic, too, it ensues from the law on power-sharing that the Foreign Ministry has within its jurisdiction, among other things, the coordination of external economic relations. It is a question of how the state administration is organized, whether it establishes an independent body for this purpose, or not.

It is also true that many countries have a different opinion on this matter, above all, other postcommunist countries that had ministries of foreign trade in the past. In most cases, they have kept them. If we look at them more carefully, however, for instance, at Poland—which even has the Central Planning Commission—we will see that the institutional structure in these countries is directly connected, to a certain extent, with the state of reforms there.

[Sklenka] Let us return to the direct connection between trade and diplomacy. Without doubt, foreign trade is an inseparable part of foreign service. How does the Foreign Ministry want, in this connection, to support Czech exports and open new markets to our exporters?

[Zieleniec] The role of diplomacy is immensely important in that respect. First, it is necessary for the foreign service to exactly monitor the political and macroeconomic situation in other countries, and be able to point to the opportunities that exist for the expansion of Czech trade on the markets there. At the same time, it is necessary to secure an efficient information channel so that required information might get, as fast as possible, to the hands of not only the state administration bodies, but, above all, to our entrepreneurial public. Either directly, or through the Economic Chamber, the Union of Industry and Transportation, stock market, or other institutions.

I consider the propagation of the Czech Republic abroad to be no less important in the work of the foreign service. This not only applies to general information, but also to specific business opportunities, conditions for investors, legislative regulations for conducting business on the Czech market, and establishing joint firms.

[Sklenka] Much has been said about the fact that, apart from the representative offices, this function will be secured by the so-called Czech Centers in the future.

[Zieleniec] Yes, these organizations, founded by the Foreign Ministry, will function on semi-commercial basis. It signifies a certain transformation of our former cultural centers into information and commercial centers. Their task will be to provide not only general information about investment opportunities in the Czech Republic and about the export and import conditions, but, on the basis of demands by specific entrepreneurial entities, also to organize industrial expositions, secure public relations, and mediate marketing studies for state institutions, as well as for private entrepreneurs.

[Sklenka] The Czech Centers, if the entire project is implemented as planned, are certainly an appropriate step on the way to a more specific definition of the Czech proexport policy. Up to now, we have had such centers, de facto, only in former socialist countries, and not the capitals of industrially advanced countries that are centers of world trade. In view of the fact that our export is mostly oriented toward the West, we need them precisely there.

[Zieleniec] Of course, under socialism we had centers in Sofia, but not in New York, in Warsaw but not in Paris, we had them in Budapest, but not in London. This is why we are trying intensively to remedy this situation, without abolishing the existing network. Due to the fact that the centers are being established on the basis of intergovernmental treaties, they enjoy certain advantages abroad, advantages that a regularly registered firm does not enjoy there. The Czech Republic is a small

industrial country that is dependent on wide contacts with the world. Our open foreign policy and liberal trade policy correspond to this.

[Sklenka] Despite the fact that our trade policy is liberal, many people believe that it is not proexport enough. Czech exports may have grown by more than 18 percent last year, nevertheless, their structure has only slightly improved and still remains on the level of a developing country. In exports to the OECD countries, machines and equipment represent only some 22 percent of the overall volume. What does the government want to do about this?

[Zieleniec] Within the framework of support to export, the state furnishes the entrepreneurial sphere with very important public goods [verejny statek], which is the koruna's proexport exchange rate. This precisely was, and still is, the engine of the enormous boom in Czech exports. It is a great advantage that the state deliberately tries to maintain our foreign trade as a dynamic element in the development of the Czech economy.

[Sklenka] However, the koruna's proexport exchange rate has fallen by about one-third during past three years, and is still falling, which is a proof that this comparative advantage is only of short duration. Do you not think that the state should do something more for restructuring exports [komoditni reorientace] and making exports "healthier?"

[Zieleniec] Yes, proexport tools such as the insurance of exports, long-term export loans at competitive interest rates, etc., we mentioned very frequently, but, today, we have institutions for this purpose. Apart from the functioning insurance company EGAP, Ceska Exportni Banka [Czech Export Bank] has been established recently. The state does for our entrepreneurs everything possible that is in its power, since proexport policy is an inseparable part of its economic policy and foreign policy, but the state cannot directly conduct business on behalf of enterprises. If it did, then it could also draft plans for them, for example. We had this here before, but it did not prove to be good.

Nevertheless, this does not mean that the state will not engage in business in certain specific cases. For instance, if the export of large investment units is involved, in which the state is interested, the state may help not only politically, but also directly—financially, for example. This is the genuine essence of the mechanism of support to foreign trade that our government is pushing for. This is precisely the proexport regime that we consider to be the most economic.

Military Experts Reject Idea of Neutrality

AU3105163294 Prague MLADA FRONTA DNES in Czech 24 May 94 p 1

[Report by Jaroslav Kmenta: "The Experts Reject Neutrality"]

[Text] Prague—Army experts believe that the security of the state can only be guaranteed by membership in the North Atlantic Alliance and by incorporation into the Western European Union [WEU].

The analysis conducted by the Institute for International Relations—which will form the basis for the government's security policy concept—absolutely discounts the possibility of the republic becoming a neutral country or of it relying solely on its own forces and resources for its defense. The experts also reject involvement in a defensive system made up only of Central European states.

The advantage of joining just the WEU is, according to diplomats, the possibility of reacting to situations that concern only Europe. Despite this, they give priority to incorporation into NATO, because it—as opposed to the WEU—offers a defense system with a functioning military structure.

According to the experts, neutrality is no longer significant. "Following the cessation of the bipolar world, there is no one here to be neutral against," said one of the military officials. Foreign Minister Josef Zieleniec has previously rejected neutrality. He described it as a dangerous snare. Prime Minister Vaclav Klaus has said the same thing. He rejected neutrality as a hollow concept belonging to the realm of third ways leading nowhere.

It is apparent from the aforementioned document—for which various institutions are now drafting comments—that the republic does not consider anyone to be an enemy a priori and that it has no territorial or other political claims against any state.

KDH: Left 'Condemned' to Rightist Policies

AU3105170594 Bratislava SMENA in Slovak 23 May 94 p 9

[Interview with Jan Carnogursky, chairman of the Christian Democratic Movement, KDH, by Alena Melicharkova; place and date not given: "Everyone Is Condemned To Pursue Right-Wing Policies"]

[Excerpt] [passage omitted] [Melicharkova] The left has been victorious in several postcommunist countries, including Poland and Hungary. Some political scientists expect a similar development also in our country. They even say that, in a certain way, those election results demonstrate distrust of changes and the market system. What if the left actually wins in Slovakia?

[Carnogursky] As a democrat I respect, and will respect, the legitimate results of democratic elections. Should the voters really vote more in favor of the left, let them have a left-wing government. The Christian Democratic Movement [KDH] would still stick to its right-wing positions, to the socially oriented market economy. But let us look at some factors from the past. Before the last elections, the Movement for a Democratic Slovakia [HZDS] was promising an economic policy geared toward development that would be completely different from the federally applied reform. Three months after the elections, when the late Professor Koctuch returned from the United States, from talks with the IMF, the HZDS immediately changed its entire economic concept and acknowledged that right-wing economic policy was the only option. That is why, deep within, I chuckle when you ask me what will happen if left-wing parties win. Even if this happened, it would be only a question of time before they realized that they must pursue right-wing policies. After all, even [Party of the Democratic Left Chairman] Peter Weiss said in a newspaper interview about a year ago that the economic policy of the Party of the Democratic Left was to the right of the HZDS's economic policy. And, mind you, that was after Professor Koctuch's return from the United States.

[Melicharkova] Is the formation of a coalition government composed in the same way as the present government possible after the elections, in your opinion?

[Carnogursky] The present term of office is also a trial period whether such a coalition can continue even after the elections. It seems, for the time being, that it might. [passage omitted]

Foreign Minister Addresses Stability Conference

AU0106112194 Bratislava SLOVENSKY DENNIK in Slovak 27 May 94 p 3

[Report by "TA SR, il": "Giving Finishing Touches to the Balladur Plan"]

[Excerpts] Paris—A two-day conference on the Stability Pact opened in the UNESCO Palace in Paris yesterday. It is attended by ministers of foreign affairs from 42 European countries, the United States, and Canada. The Slovak Republic is represented by Minister of Foreign Affairs Eduard Kukan. [passage omitted]

In his address, Minister of Foreign Affairs Eduard Kukan noted the political readiness of the Slovak Republic to contribute to the implementation of the Stability Pact by specific steps and by its foreign policy in general. The completion of the transformation of the countries of Central and Eastern Europe is a longer-term process, which can only take place in a peaceful democratic international political environment. The Slovak Republic finds this environment in the European political, economic, and security structures. He stressed that we consider the Stability Pact to be an important contribution to European cooperation that supports a further improvement in international relations, particularly by intensifying and harmonizing cooperation among neighbors. We are confident that the Stability Pact project, which we regard as one of the means of drawing closer toward European Union membership, will contribute to strengthening European security and stability.

Breakaway Faction Head on Green Party's Split

AU3105170794 Bratislava SLOVENSKA REPUBLIKA in Slovak 24 May 94 p 2

[Interview with Olga Prascakova, chairwoman of the Slovak Green Party Preparatory Committee, by Eva Zelenayova; place and date not given: "The Greens Lean Toward National Forces"]

[Text] [Zelenayova] The Green Party in Slovakia yesterday formed a coalition with left-oriented parties. We know that this coalition was a reason for a large part of members to leave the Green Party. Could this not be avoided?

[Prascakova] No. We consider the Party of the Democratic Left [SDL] to be the heir of the Communist Party of Slovakia, which bears maximum responsibility for the devastation of the country and morals. Also, it is inadmissible, for reasons of principle, for Greens to enter into a coalition with any political party.

[Zelenayova] Does that mean that you are preparing the registration of a new Green party? Is that desirable?

[Prascakova] We have already applied for registration. It is common throughout the world for two Green parties to exist alongside each other. Usually, they are divided into fundamentalists and realists.

[Zelenayova] Do you think that you will gain enough members?

[Prascakova] Entire district organizations and groups are declaring their allegiance to us. Only 14 out of 29 districts attended the last meeting of the Coalition Committee where the vote on entering a coalition with the SDL was to be taken. Apparently, the remaining 15 district organizations were opposed to this coalition.

[Zelenayova] Will your new Slovak Green Party go into the elections on its own?

[Prascakova] Originally, we did not want to join forces with anyone. But as the party's polarization has already been provoked, we will lean toward the nationally oriented parties and movements.

[Zelenayova] But [SDL Chairman] Peter Weiss has called the left-wing coalition a patriotic one.

[Prascakova] We are not convinced about that. It is through the SDL's fault that the political situation is now under the control of parties of the Hungarian ethnic minority. Some officials of the Green Party in Slovakia, too, are favorably disposed toward the demands formulated in the Komarno appeal [issued by representatives of the Hungarian minority on 8 January 1994].

[Zelenayova] Are you not afraid that Greens will stop taking an interest in Green policies?

[Prascakova] Not at all. We are actually creating an alternative for voters who subscribe to the Green philosophy but do not want to vote for the left-wing bloc and [an alternative] for that part of our members who want to work for the environment but are leaving the party because of its coalition with the SDL. We will strive to enlist new members, whereby we will increase the number of people who take an interest in the Green philosophy.

Southern Slovaks Protest Changes to Laws

AU3105162494 Bratislava SLOVENSKA REPUBLIKA in Slovak 25 May 94 p 3

["From the appeal" issued by organizers of the Surany meetings of Slovaks from southern Slovakia and addressed to the chairman and deputies of the National Council of the Slovak Republic: "We Propose a Referendum!"]

[Text] The organizers of the, by now six, Surany meetings of Slovaks from southern Slovakia (Eva Garajova, Zdenka Anettova, Andrej Strycek, and Stanislav Bajanik) have addressed an appeal to the chairman and deputies of the National Council of the Slovak Republic [NRSR]. It states:

"The agenda of the 32d NRSR meeting includes two important items—the so-called bill on bilingual signs and the so-called bill on [birth and marriage] registers. We draw attention to the fact that these laws constitute only another partial solution to the entire language problem. Leaving aside the initiatives of the Slovak Heritage Foundation, there have been six meetings of representatives of Slovaks from southern Slovakia at Surany devoted to this issue. At these meetings they repeatedly warned that the social, civic, and also political situation in southern Slovakia continues to pose a permanent threat to the language and ethnic sovereignty of Slovaks in their own state. Approximately 500,000 citizens of Hungarian nationality, but more than 1.2 million Slovaks, live on the territory of southern Slovakia, leaving aside members of other nationalities and ethnic groups. Therefore, it would be democratic if not only political parties, but all citizens living in the region, made decisions on its major problems. We recognize the language rights of all our fellow citizens. However, we cannot accept rights going beyond the framework of established European norms. Their realization in our conditions would jeopardize the standing of members of the Slovak nation. Moreover, a return to names and designations [of communities] from the time of pre-1918 Hungary and from the history of Horthyite Hungary is inadmissible. We cannot accept the disappearance from the Slovak south of names and designations after Slovak national figures.

"Entries in [birth and marriage] registers in the language of the minority clash with the codified standard of the state language. Interference with this standard is inadmissible in all advanced countries.

"We appeal to you to postpone the planned partial solutions and to deal with the language problem comprehensively, in a separate NRSR law on the protection of the state language and in a law on the status of ethnic minorities. In those two laws, the problem of designating place names should be tackled exclusively by means of transcription of the official name into the minority language. Should the NRSR fail to accept this proposal, we consider it necessary that this sensitive and serious problem be dealt with democratically—by means of a referendum."

Eva Garajova, Andrej Strycek, and Stanislav Bajanik yesterday personally visited NRSR Chairman Ivan Gasparovic in this matter.

Hungarians Wish To Participate in Agreement

AU3005210994 Budapest MAGYAR HIRLAP in Hungarian 26 May 94 p 3

[MTI report: "Duray for Minority Rights"]

[Text] Miklos Duray, chairman of the Coexistence Movement, only considers the current form of the European stability agreement acceptable if certain national minority interests can be included in it. In an interview to the [Bratislava] UJ SZO on 25 May, Duray said: "Through its legitimate representatives, the Hungarian community wishes to participate in drawing up the agreement. We reject all such steps that would exclude our direct participation.... There are two alternatives. One is that we become part of bilateral talks and, in this case, naturally, we accept the mediating role of a third party. As a second solution, we consider it more important and necessary to create a system of agreements within the given country, in our case between the Hungarian minority and the government," Duray said.

No-Confidence Vote Shows 'Cracks' in Coalition

AU3005133794

[Editorial Report] Bratislava SME in Slovak on 27 May on pages 1 and 2 carries a 1,000-word "bog, jam"-signed report on the 26 May meeting of the National Council of the Slovak Republic [NRSR], most of which was taken up by the debate on a no-confidence motion in Milan Janicina, minister for the administration and privatization of national property, which had been initiated by opposition deputies. According to the SME report, "in a secret ballot, NRSR deputies decided not to express no-confidence in Minister Milan Janicina. Of the 144 ballots cast, 139 were valid. A total of 71 deputies voted in favor of the vote of no-confidence being passed, 65 deputies were against, and 3 abstained. A total of 76 votes would have been necessary for the vote of no-confidence to be passed."

On the same day, on page 2, Bratislava SME in Slovak carries a 400-word interview with Peter Weiss, chairman of the Party of the Democratic Left [SDL], by Maria Hluchanova entitled "We Simply Harmonized Coalition Views." As the interviewer points out, the fact that 71 deputies were in favor of Janicina's dismissal "raised doubts in the NRSR lobbies about the SDL deputies' support for Milan Janicina in the secret ballot." She therefore asks Weiss "to confirm or deny conjectures that part of the SDL Club of Deputies had voted for Janicina's dismissal."

Weiss replies: "All kinds of things can be heard in parliamentary lobbies, including that the dismissal was supported by a part of Hungarian Christian Democratic Movement, Coexistence, and centrist deputies. The voting was secret and engaging in speculation is pointless. It has never been customary in our Club of Deputies to look one's colleagues over the shoulder. The SDL Club of Deputies decided to vote against Milan Janicina's dismissal." Weiss emphasizes that "the SDL is interested in the coalition working and in all debates about privatization being conducted on an expert level and not on an ideological level." He also confirms that coalition talks were held prior to the vote on Minister Janicina, at which the coalition partners "harmonized coalition views" on the issue.

Bratislava SLOVENSKY DENNIK in Slovak on 27 May on page 2, under the headline "Cracks in Coalition?," carries a series of brief interviews with representatives of coalition parties, totalling 350- words, on their voting on Minister Janicina. The interviews are preceded by the following introduction: "The outcome of the secret ballot on trust in Minister Milan Janicina (National Democratic Party) revealed that some coalition deputies had supported the opposition's call for his dismissal. In this context, we asked coalition partners whether this problem would be taken up by the Coalition Council and whether they can rule out that their own deputies had supported the no-confidence vote in the minister of privatization." In their brief replies, all interviewees voice the conviction that their own deputies had not violated the agreement to support Janicina. They agree, however, that it would be pointless to raise this issue within the framework of the coalition because it is impossible to ascertain how individual deputies had actually voted.

Schmognerova Views Potential Risks to Economy

AU2905151194 Bratislava HOSPODARSKE NOVINY in Slovak 16 May 94 p 7

[Lecture by Deputy Prime Minister Brigita Schmognerova delivered at a meeting of the "HOSPODARSKE NOVINY Club" in Bratislava on 13 March: "Possibilities of the Slovak Economy"]

[Text] The macroeconomic policy of the government until the end of 1994 is determined by the goals to achieve zero economic growth, a 4-percent state budget deficit, and an inflation rate of 10-13 percent, and to keep the rate of unemployment under 17 percent, to maintain foreign currency reserves, to consolidate the internal convertibility of the Slovak koruna, and to maintain a balanced balance of payments. Based on an analysis of the 1993 results of the economy, the goals for 1994 are exceedingly demanding and their attainment is associated with a number of risks. Which of these risks are most serious and what possibilities do we have to limit or eliminate them?

Risk of Failure To Achieve Zero Economic Growth

The factors of this risk are on the side of demand (low domestic household demand underpinned by purchasing power, low demand of the government and entrepreneurial sector, low external demand), but far greater, in my opinion, are the risks on the side of supply. They dwell, in particular, in the inadequate reaction, differentiated according to sectors, to the long-term transformation changes, short-term cyclical changes, and other changes in the economic environment. What are the causes of the entrepreneurial sector's inadequate reaction? The conduct of an entrepreneurial entity depends primarily on the internal interest structure and mechanisms of the realization of differentiated interests therein, according to the characteristics of the entrepreneurial environment [sentence as published].

The most radical intervention in the internal interest structure is a change in proprietary relations. The structure of proprietary relations determines, to a decisive extent, the interest structure but the interest structure is also influenced, to a large degree, by the mechanisms of the realization of interests of various interest groups. Let us cite the example of one of the most complex interest structures—the interest structure that comes about in a company that has gone through the process of coupon privatization and in which the state has retained a certain stake. This structure comprises the interests of the management, the interests of individual small shareholders, the interests of investment funds, the interests of the National Property Fund of the Slovak Republic,

the interests of employees (those who do not constitute the management), the interests of creditors (in the event of indebted companies), and, possibly, also the interests of an individual large owner (such as a foreign investor, for example). The mechanisms of the realization of the interests of individual interest groups are still only taking shape and are imperfect, as are the mechanisms of solving conflicts between diverse interests. Moreover, the existing mechanisms are being applied in an environment that deforms their effect. For example, the low effectiveness of the law on bankruptcy and settlement is not caused only by some of the law's shortcomings. The introduction of arbitration proceedings is often being criticized. This stipulation is contained also in the U.S. bankruptcy law, where, however, it has been introduced in the interest of creditors who are insufficiently prepared, or afraid, to bear the risks arising from bankruptcy proceedings. The risk of the failure to achieve zero economic growth can be limited, on the side of supply, by a micro-economic policy of the state that will establish suitable conditions for more adequate reactions of the entrepreneurial sphere. The main focus of the state's micro- economic policy in the transformation period is, undoubtedly, a change in proprietary relations. However, it must not be confined to that but must also center on eliminating various deformations of the environment such as, for example, its monopolization, and the like.

In all the transforming economies, this environment is characterized, among other things, by the so-called "trap of tough budgetary restrictions." It is a consequence of the unfavorable combination of several factors: the rapid transition from a soft budget policy toward tough budgetary restrictions, companies' inadequate structural adaptation, and soft or ineffectual legislative conditions. A result of these factors is drastic growth of intercompany credit indebtedness and an alarming deterioration of the commercial banks' portfolio. A solution to the consequences of the "trap of tough budgetary restrictions" will be effective in the long term only when we succeed in eliminating its causes. It is therefore exceedingly important that various approaches to solving intercompany debts and so-called bad debts be coupled with the part of transformation policy that establishes conditions for a change in the conduct of the entrepreneurial sector. Once these prerequisites are met, it will be possible, as the next step, to release on a larger scale domestic and foreign credit resources so as to boost investment demand. The sooner we succeed in setting these processes into motion, the smaller will be the risk of failure to achieve zero economic growth.

Risk of Failure To Meet Budget Deficit Target

This risk has been fairly thoroughly analyzed and measures designed to limit or eliminate it are in an advanced stage of preparations. A part of these measures is of fiscal nature (tax-related measures, for example), the other part has, in addition to fiscal effects, also more fundamental transformation effects. The tax-related measures are to raise state budget revenues but, on the other hand, they also entail some additional risks. There is the risk that the resultant price increases will reduce demand and there exist social or political risks. The drop in demand could lower the mechanically estimated impact of tax adjustments on budget revenues and raise demands for additional budget resources. The lowering of social risks, for example, could raise demands on additional social payments (welfare payments and the like). It is evident that the tax adjustments aimed at eliminating the risks of budget management must be carried out so that their positive effects outweigh their potential negative effects.

Measures that, in addition to fiscal effects, have transformation effects, too, include the lowering of subsidies of the prices of electricity, gas, and heat for households. Maintaining these prices deep below the level of costs does not encourage energy conservation and, at the same time, it deforms criteria for the allocation of investments in individual sectors of the economy. The liberalization of the prices of energy for households is therefore an important transformation step.

On the other hand, it requires that:

a) steps be taken to prevent monopoly price rises (by introducing regulation of natural monopolies),

b) steps be taken to limit the impact on households in general (by promoting energy conservation programs) and on socially weak groups in particular (by means of various schemes of protecting the socially weakest strata).

Sociopolitical Risks

The fifth consecutive year of economic decline, and the resulting continuing decline of employment, growth of the cost of living, growth in the number of long-term unemployed, growing number of households whose income is in the range of 1 to 1.5 times the subsistence minimum, and so forth, poses the growing risk that transformation will become socially unsustainable. The fact that these processes are in their fifth consecutive year (with a certain alleviation in the second half of 1992) is particularly serious. It means that the mitigating effect of the relatively good starting social standard of households in 1989 is being exhausted. Major risks dwell in:

a) the growth of the socially weaker strata at the expense of the middle class,

b) the growing regional differentiation of the social situation,

c) the impossibility of tackling some needs of the population (such as housing needs) from their own resources, in a situation when other resources not available.

The mounting social difficulties create a fertile soil for political forces proposing extreme or populist solutions. The enforcement of such solutions in the actual economic sphere would, however, further aggravate the risks of the Slovak economy.

There is no doubt that alleviating the risks in the economic sphere—that is, in particular, the risk of failure to achieve zero economic growth, the risk of higher-than-projected inflation, and so forth—is the basic prerequisite for addressing the sociopolitical risks. On the other hand, it will also be necessary to take steps in the social sphere that will alleviate social tension and maintain social peace. Without maintaining social peace, it is impossible to create by democratic means prerequisites for the Slovak economy to become, within an acceptable time frame, a modern and efficient economy integrated into the European and global economic structures.

The endeavor to maintain social peace makes it necessary to spread the social costs of transformation over a longer period of time. This means that some partial transformation measures with serious social repercussions must be administered in doses, without, however, being postponed. It is becoming apparent that, without administration in doses, as it were, costs of the social safety net can soar and trigger additional risks (for example, sharply increase the budget risk). A hopeless situation then comes about.

The estimates of the costs of transformation are often being compared with the costs of reconstructing the war-ravaged West European economy [after 1945]. The transforming states cannot reckon with any new Marshall Plan. Foreign aid represents only a small fraction of their needs. The magnitude of the costs, and the social inevitability of spreading them over a period of time, make it necessary to acquire foreign credit resources. It is of extraordinary importance under what terms these resources are extended and on what they are spent.

It is the duty of government policy to ensure that the terms under which resources are acquired, and the methods of their use, be as favorable as possible for the Slovak economy.

That is why it will be necessary, in the course of 1994, to address the risks of the Slovak economy and to demand the implementation of an economic policy, the aims of which are not easy to reconcile: maintaining macroeconomic stability at an adequate level and ensuring that the economic decline does not continue. The conditions in which the Slovak economy finds itself in the year 1994 make this task even more demanding.

SZDSZ Chairman Views Coalition Possibilities

AU3105163594 Budapest PESTI HIRLAP in Hungarian 31 May 94 pp 1, 3

["B.A.P."-signed interview with Ivan Peto, chairman of the Alliance of Free Democrats; place and date not given: "Eternal Second?"]

[Text] The Alliance of Free Democrats [SZDSZ] cannot initiate coalition steps, and no signal has yet arrived from the Hungarian Socialist Party [MSZP], SZDSZ Chairman Ivan Peto told us when we asked him about his party's election results and coalition possibilities.

[PESTI HIRLAP] The SZDSZ finished in second place in both free elections so far. In the last issue of MAGYAR NARANCS [HUNGARIAN ORANGE], socialist political scientist Mihaly Bihari drew the conclusion that no liberal party can win in Hungary. Is there any truth in this?

[Peto] I could refute this if the SZDSZ won the elections, but I think this was not the first mistake of Mihaly Bihari. It is not fortunate to come up with such an eternal judgment that a party always finishes second, because it generally does not happen so.

[PESTI HIRLAP] Some people assume that the SZDSZ is hesitating to form a coalition because this way an MSZP-Hungarian Democratic Forum [MDF] government alliance could emerge and these two parties will soon lose value and then the SZDSZ will remain the only marketable political force.

[Peto] I have not yet heard about this assumption. On such a basis, one could also consider the possibility of an MSZP- Independent Smallholders' Party [FKGP] coalition.

[PESTI HIRLAP] on the eve of the elections, [trade union chief] Sandor Nagy said that his party thinks in terms of a coalition anyway. If the SZDSZ is not willing to form such a coalition, they will form an alliance with another party.

[Peto] Apart from the SZDSZ and the MSZP, there are still four other parliamentary parties. They can also think of the Federation of Young Democrats [Fidesz], the Christian Democratic People's Party [KDNP], and the FKGP. I do not want to deal with every possibility separately.

[PESTI HIRLAP] In view of the election results, the first half of the runners ends with the MDF. The other three parties are lagging far behind the front runners.

[Peto] The MSZP does not need to form an alliance with a big party; they can form a coalition with any small party if any of these parties is willing.

[PESTI HIRLAP] The head of the MSZP list already declared that they are thinking in terms of a coalition anyway. However, there is not yet a relevant answer from the head of the SZDSZ list.

[Peto] I said to this that if a party does not have a parliamentary majority, we consider it to be necessary; if it has a parliamentary majority, we consider it to be possible. I have nothing to say in addition to this. There is not yet any coalition offer whatsoever at the moment; only the intention for a coalition has been declared so far. No one called upon us with a coalition offer. We cannot initiate anything with our 17-18 percent.

[PESTI HIRLAP] Peter Hack said in one of the dailies that he would not take the SZDSZ into a coalition in this political situation.

[Peto] He was correct in declaring this.

[PESTI HIRLAP] Does that mean that Ivan Peto also thinks so?

[Peto] As the SZDSZ chairman, I think that I should not treat the public with my own private opinions. Of course, I have my own private opinion, but the party should form its opinion. I said that in the case of an absolute majority, the chances of a coalition are much smaller—at least on our part—than in case there were not such an absolute majority.

[PESTI HIRLAP] However, you did not exclude the possibility of a government coalition with the MSZP.

[Peto] Nor did Peter Hack. He said that, on his part, he would not support such a proposal.

Foreign Minister Views Achievements, Tasks

AU2805174794 Budapest NEPSZABADSAG in Hungarian 26 May 94 pp 1, 7

[Interview with Foreign Minister Geza Jeszenszky by Pal Lederer and Gyula L. Ortutay; place and date not given: "I Am One of the Star Witnesses"]

[Excerpts] [passage omitted] [NEPSZABADSAG] Rumors spread months ago about a closed meeting in which you said that, regardless of the election results, the Foreign Ministry will essentially remain in the hands of the Hungarian Democratic Forum [MDF]. Do you confirm these rumors? If so, on what did you base your opinion then?

[Jeszenszky] This happened about six to nine months ago, and it was hardly a secret, because NEPSZABADSAG also mentioned it after a few days. I said then that no one should think that the future election results were clear and the MDF can be discarded. I am still convinced that, six months ago, no one could responsibly predict the present results. I counted on a more balanced result at the elections, with good chances for the MDF also to retain the Foreign Ministry. Naturally, this no longer seems probable. My prediction was that, with a few percent difference, the Hungarian Socialist Party [MSZP], the Alliance of Free Democrats [SZDSZ], the Federation of Young Democrats [Fidesz], and the MDF would largely fare equally. If this had actually taken place, the MDF would have been justified in demanding

the Foreign Ministry because foreign policy has been one of the strong points of the party, thanks to Jozsef Antall's strategic thinking and to the activity carried out here. [passage omitted]

[NEPSZABADSAG] According to recent news, at the request of the Czech Government, the Institute of International Relations in Prague prepared a report on potential dangers and included here its concepts regarding Greater Hungary.

[Jeszenszky] And Greater Germany too....

[NEPSZABADSAG] Was this report timed for the Balladur conference in Paris?

[Jeszenszky] I cannot tell whether the timing was accidental or deliberate. I have not yet heard about this institute. As for the aforementioned formulation, it is rather propagandistic; so far, we have only been able to hear about Greater Hungary programs from Romania. This term is not even used in Hungary; in professional circles, we use mostly the term "historical." I do not think that one can find a program from recent years which includes the creation of Greater Hungary. My answer to this is that Greater Europe is the goal in Hungary's program.

[NEPSZABADSAG] In your opinion, has the Hungarian Foreign Ministry done everything in its power to reduce the lack of confidence prevailing in the neighboring countries?

[Jeszenszky] One can always find faults. Obviously, it is impossible to fulfill every expectation. At the same time, I have a good conscience about the last five years of the foreign policy thinking of the present Hungarian Government. I know what we said and what we did. We are talking about a consistent line. Today, I regard the same things as necessary as in 1989. I know that opinions have been voiced lately, particularly in the election campaign, according to which the Hungarian Government has contributed to this lack of confidence with its statements and other things. I think one could not have done more for building confidence. As early as at the beginning of my office, I wanted to visit these countries, and I managed to call on Belgrade, Zagreb, Prague, Bratislava, and naturally Vienna in the first ten weeks. My visit to Bucharest would also have taken place much earlier, if some events in the Romanian Parliament had not occurred.

Irrespective of my meetings, the rapprochement of nations along the Danube has always been my great desire. We signed basic treaties with three states where the situation of ethnic Hungarians has been settled through parliamentary legislation, namely with Ukraine, Croatia, and Slovenia. The Slovenian-Hungarian agreement on minority rights is an example, and we are ready to sign such an agreement with any of our neighbors, and this would be a good incentive for the basic treaty. We have offered this to all our neighbors. These are the facts; the rest is only interpretation. [passage omitted]

[NEPSZABADSAG] What do you regard as your major personal failure and success in your position as foreign minister?

[Jeszenszky] I am sorry that we did not succeed in creating harmonious relations with all our neighbors, but I do not have to regard this as my personal failure, because this did not depend on my personal attitude or on that of the government. I am dissatisfied with our contacts with the society, and this equally refers to foreign policy and the government in general. For example, in 1992, I had the opportunity to speak in detail about Hungary's foreign policy problems and the foreign policy issues of this area on Japanese television. There are very few programs in the Hungarian Television in which one can explain in detail what is happening in foreign politics. As for our successes, I would mention the peace partnership with NATO and the fact that Hungarian diplomacy did a lot for the content of this partnership to improve compared with the original ideas. I find it extremely important that we signed treaties with Gorbachev, Yeltsin, and Kravchuk on the same day on 6 December 1991, and with the EC ten days later. These are mostly results of common thoughts and common action, but Hungarian diplomacy played a considerable role in making many people and many countries have a good impression about Hungary. We succeeded in bringing a lot of excellent people into the Hungarian diplomacy, and we succeeded in developing a ministry that functions well. Perhaps this is what I regard as our major achievement.

Union Leader Views Possibilities After Vote

AU3105200094 Budapest NEPSZAVA in Hungarian 27 May 94 pp 1, 2

[Interview with Sandor Nagy, chairman of the National Federation of Trade Unions in Hungary, by Peter Csala; place and date not given: "Sandor Nagy Has No Ministerial Ambitions"]

[Text] Setting the electronic points at Celldomolk was only a small action for Sandor Nagy, chairman of the National Federation of Trade Unions in Hungary [MSZOSZ]. Nagy met railway workers during his visit to Vas County. It remains a big question for him, too, whether it will be just as easy for him in his capacity of parliamentary deputy of the governing party to put the engine of trade unions on its tracks. We asked him about his views on the future of the trade unions that will become a parliamentary factor after the elections.

[Nagy] The role of the trade unions will definitely change in the coming four years. If for no other reason then because the current government is trying to keep the MSZOSZ in quarantine, with the occasional support of the liberal opposition. Our struggle against this often distracted us from our essential duties. Our proposals were rejected and the government treated us as enemies. We will not have to face this when the government is led

by the Hungarian Socialist Party [MSZP]. I expect that we will be seen as important partners.

[Csala] In order to be seen as partners, do the trade unions definitely have to sit in Parliament, as deputies of precisely the governing party?

[Nagy] I do not think that this issue is as important as is presented by the press nowadays. The deputies will indeed have to decide about their attitude. When the MSZP made the agreement with us, it could not have wanted us to deny our identity and it did not. Therefore, naturally, we will also represent the interests of employees in Parliament and we will not basically change our views. It is important that we take the requests and demands of employees into Parliament instead of explaining and mediating the government's measures to our members. This is not what they expect from us.

[Csala] How can this be made consistent with the discipline in the parliamentary group?

[Nagy] I cannot say anything about this at the moment because I do not know what discipline in the parliamentary group will mean for the MSZP. We will probably have conflicts but we would like these to remain manageable and possible to solve.

[Csala] At the moment, you are chairman of the MSZOSZ, leader of the local social insurance administration board for pensions, and future parliamentary deputy. Are these not too much together?

[Magy] The law prescribes that I have to resign my position at the social insurance administration board within 30 days after receiving my mandate. I will do this. However, in my view, the chairmanship of the trade unions does not clash with being a parliamentary deputy. There are other examples of this in Europe.

[Csala] Would you perhaps accept a governmental function or a ministerial position?

[Nagy] I did not think of this even when I decided to run in the elections. As a matter of fact, one does not have to be a parliamentary deputy to become a government member. At the moment, I do not have such ambitions.

[Csala] What possibilities can you see to solve the problems of social insurance?

[Nagy] Short and long-term proposals will have to be drawn up in both areas. However, it is important for the two systems of social insurance to be completely separated both organizationally and financially by the end of the year. Health insurance is impossible to finance in its current form and, because of the links, it is a burden on the pension insurance system. Together, the two insurance funds struggle with a 150 billion forints deficit, therefore, we have to begin to collect the debts owed to us as soon as possible and to have the state assets handed over to the insurance boards immediately.

[Csala] What are your views on the coalition possibilities? What would be the attitude of the MSZOSZ in case of a balanced coalition between the MSZP and the Alliance of Free Democrats?

[Nagy] I believe that a coalition led by a strong MSZP will emerge. It would lead to many senseless conflicts between the government and the trade unions if the liberal economic program was implemented. I trust that this will not happen and this is why I ask everyone to go to vote on Sunday [29 May] and not to let themselves be influenced in their decision.

Editorial Views Election Results

AU3005171694 Budapest MAGYAR HIRLAP in Hungarian 30 May 94 p 7

[Unattributed editorial: "The Horn Government Is Coming"]

[Text] The Socialists have won a landslide victory that exceeds all expectations and, as a whole, they obtained more than half of the parliamentary mandates. The trend of the first round of elections continued and even became stronger in the second round: Down with the ruling coalition parties and no to the Federation of Young Democrats [Fidesz] too; one should vote for the Socialists, or for the Alliance of Free Democrats [SZDSZ]! The only question now is whether the new government will be a one-pattern one, or are there parties that will accept the Socialists' coalition offer. If the SZDSZ, which came in second with 20 percent of the mandates, accepts the role of coalition partner even with such a percentage, the new government will have a majority of more than 70 percent in parliament. This means that this government will have a free hand in governing and, in the sense of the constitutional law, it can do whatever it wants. The weightless opposition will actually have nothing to say in managing Hungary's affairs. If the SZDSZ does not accept the coalition, most probably the Horn government will have an unstable parliamentary majority but, compared with the previous parliamentary cycle, this government will face a much more divided opposition.

The MSZP election victory is the success of the policy the party has conducted in the past four years and in the election campaign, as well as the consequence of the voters' deep disappointment in the government led by the Hungarian Democratic Forum [MDF]. The Socialists succeeded in convincing one-third of the voters that the MSZP not only represents a real alternative to the conservative forces, but it is also able to replace them. The Socialists' message was clear: They accept government responsibility, they endeavor to come to an agreement rather than confrontation, they have a modernization plan that can be implemented, and they represent a real governing force with their professionalism and political experience. Their electoral alliance with the largest trade union bloc, namely the National Federation of Hungarian Trade Unions [MSZOSZ], also brought them

many votes. In addition, with Gyula Horn, the MSZP presented a front man who was facing the often base attacks directed at him while increasing the popularity of his party and of himself (and probably his car accident also played a role in this), and this also attracted many hesitant voters to the Socialists. One can predict with certainty that, having the majority in parliament, the MSZP congress will nominate Gyula Horn for the position of prime minister and will probably make a coalition offer to the SZDSZ. The MSZP is aware of the fact that the number of its parliamentary mandates is considerably larger than the social representation of one-third of Hungary's voters who supported the party, and inviting the SZDSZ into a coalition might effectively increase the political and mass support of the government; and there is urgent need for this, given Hungary's current situation.

However, this will put the SZDSZ in a serious dilemma. Although the SZDSZ fared well in the campaign finish, it failed to repeat its previous result of 91 mandates in 1990. The rhetoric it used in the period between the two rounds of the present elections did not seem to work, namely that people should vote for the SZDSZ because this is the only party capable of counterbalancing the numerical superiority of the MSZP within the government and it is the only party whose candidate for the position of prime minister, namely Gabor Kuncze, could represent an alternative to Gyula Horn. The SZDSZ has to decide: It will either become a fifth wheel on the socialists' cart or it will get into opposition and will try to exercise pressure from outside. It is worth pondering about what erodes the party and its support more: accepting government responsibility from a relatively weak position or remaining outside. However, it is also questionable whether the SZDSZ is able to bear another four years of opposition and whether it can be regarded as a governing force at all.

Whatever the outcome—either a one-pattern government or a coalition—the winners will not have time to celebrate.

Political Scientist Analyzes Elections

AU3105081394 Budapest MAGYAR NEMZET in Hungarian 30 May 94 p 9

[Article by Istvan Schlett: "Migrating Voters—Who Decided and on What?"]

[Text] As I write this article, it cannot yet be known what the results of the coalition talks between the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] will be—we might have to wait days for this. However, it is certain that a government change will take place: The hitherto determining government party will go into opposition and the MSZP, which has so far been in opposition will come to government—alone or with a coalition partner.

"What happened here?" Analysts and politicians are asking this and will be doing so for a long time. Although—presumably—the majority of society is more interested in the question "what will happen," it is not at all insignificant to give a correct answer to the first question. The practical answer to the second question depends to a large extent on whether the politicians—winners and losers alike—draw the right conclusions from the final results of the elections.

In my view, it is a big mistake to say that the "people"—although it is probably more precise to say that the majority of electors—made its decision in an ideological war, namely that it chose the left wing or socialism, perhaps liberalism, as opposed to the right wing, the national group, conservatism, or Christianity. At most, half of the electors can be characterized by these ideological definitions. With suitable generosity, the 30 percent who voted for the losers can be listed among these, and some 10 percent each from the camps of the winners, people who supported their parties even in bad times.

However, the change of government was decided by the other 50 percent. They decided it in such a way that they did not concurrently become socialists or left-wing liberals, rather, they had simply had enough of the failures—or what was seen as such—of the government, the deteriorating living standards—or what was perceived as such—and politicians spending their time on debates that are uninteresting for them. These citizens were not interested in either rational or emotional explanations: reference to the "forty years" or the past in the reprisal forces, the national or the Christian slogans.

Is this due to the people being wise, as it is said by those who, even months ago, scared people with the right-wing extremists' coming to power, assuming that it is possible to deceive them with national demagogy, anti-Semitism, and other wild ideas. Or is it because they are stupid, stupefied, and can be misled, as is resentfully believed by some of the current losers who used to be talk loudly about the people's wisdom.

I very much doubt that the "people" are able to change their character and abilities so quickly. Something else must be the reason.

I suspect practical considerations behind the decision. The past four years have not met their expectations. However, if I think about the results of public opinion polls, I can also say that at least one side of their decision was made in the few months following the change of the regime. However, at that time—let us remember—their wishes were projected into the Federation of Young Democrats [Fidesz]. It is a different matter why this party did not manage to keep its sympathizers and why they have moved on, searching for an alternative to the government—it is the Fidesz that will first have to find the answer to this.

What is important for me now is that about half of the electors did not choose between the alternative world views or the political alternatives, they did not join any political camps. Whether this is wise or stupid behavior,

it should be discussed by the politicians and intellectuals divided according to trends—or I could say, the camps. However, politicians—if they wish to be successful—have to face facts whether they are winners or losers. The reason is that it is not certain that the migration has ended: It is possible that it will very soon—perhaps again within months—be restarted.

This is the nature of practical decisions linked to situations. Precisely because ideological or value affiliations play little role in these decisions, they are not linked to traditions and not even to personal trust in the leaders chosen by the people themselves. The correctness of the decision is measured by the results: If they do not prove forthcoming then the decision can be changed without hesitation.

Therefore, it would be a mistake to believe that the electors have finally or at least lastingly found their places in the political camps. In this sense, the process of the development of party affiliations has not ended. Therefore, the most we can say is that the parties that see themselves on the left have won because the electors voted on them, but it would be very risky to say that these electors are on the left. It is not at all certain that the future governmental activities determined by the goals and scope of the winning party (or parties) coincide with the desires of the "migrating voters," and if they do not, whether this party (or parties) can bind these people to themselves. It is possible—in fact, likely—that even if these people do place themselves on the right to left or socialist-liberal to conservative scale, or on any ideological or world view scale, then this is not identical with the notions the parties themselves have.

Naturally, we have no reason to assume that the process of developing party affiliations will not progress—after all, about half of the electors have managed to find their places in four years and they are indeed linked to various parties on the basis of interests, sentiments, trust, and even values, and not only promises. It would be more difficult for them to change their affiliations, the spectacular success or failure of their parties would be needed for their "enlightenment" on the road to Damascus. Their number might even increase. However, it is difficult to imagine that ideological motives would be needed for the majority of the very practically thinking 50 percent to do this. Another version seems to be more credible: If experience justifies their choice, then confidence is formed, and binding to the party, its value system, and ideology also emerge. And then traditions, political families, and stable voting camps are also formed.

If I am correct then this has only happened to a certain extent up to now. The new government and the politicians who come to power will have to be aware of this. What kind of decisions they make in the knowledge of this is precisely where their great responsibility lies. Decisions whose single aim is to keep the mass support—which might cost the country dearly—or decisions that are demanded by the country's best interest according to the circumstances, their best abilities, and conscience. Now, to be consciously naive, I add that the opposition also has a responsibility. It might happen in such a way that it would be very easy to take revenge. However, they will have to assess the value and cost of things.

I do not believe that a new era is beginning with the change of government. However, when something new begins, optimism is compulsory. Therefore, I hope that the majority of our politicians have learned something from the experience of the past four years—wherever they were or will be in parliament—and at least they will not make the same mistakes too often.

Plant Denies Shipment of Arms to Iraq

LD3105203494 Warsaw TVP Television First Program Network in Polish 1730 GMT 31 May 94

[Speakers identified by caption; passages within quotation marks are recorded; relayed by Warsaw TV Polonia Network]

[Excerpts] Journalists from the British television company Channel 4 claim that 16 containers loaded with arms were exported to Iraq from the Lucznik plant in Radom in February. The management of the plant denies that this shipment ever took place. The Central Engineering Board has given assurances that it had never granted permission for any shipment to Iraq.

[Reporter] British journalists say they received information about the Polish shipment of arms to Iraq from very reliable sources which they cannot disclose.

[Chris Mitchell, Channel 4 journalist, in English with superimposed Polish translation] "We got the information at the beginning of the year. We were told that 16 gray, unmarked containers would leave the Lucznik plant in Radom. We were told that they depart for the Black Sea coast, to Varna, and we were told they would be shipped onto Akaba via Cyprus."

[Reporter] Journalists saw only eight containers leaving the plant but they think some could have been sent earlier. They have not seen their contents but they think the very fact that sewing machines are being sent to the Middle East in unmarked containers confirms their suspicions.

[Mitchell] "But what was very striking was that the information we had received corresponded to what we saw later and to what Mr. Szwonder told us."

[Reporter] The former Lucznik manager and presently the Democratic Left Alliance senator has told GAZETA WYBORCZA daily that he only spoke to British journalists about legal exports of arms to Yemen. The current management of the plant also denies the British journalists' accusations.

[Bronislaw Kilian, Lucznik manager] "This event which is supposedly described by the British television program has not taken place. It is some kind of mistake and in my opinion yet another provocation."

[Reporter] "Provocation by whom?"

[Kilian] "Well, certainly not by our side."

[Reporter] "By whom do you think?"

[Kilian] "Well, it is in someone's interest."

[Reporter] Polish authorities which supervise the arms trade think the story told by the British journalists is not specific enough. [passage omitted] The British journalists' program will most probably be screened on Channel 4 tomorrow.

Kolodziejczyk Views NATO Integration Agenda

WS2705134294 Warsaw RZECZPOSPOLITA in Polish 27 May 94 p 2

[Report by Z.L.: "Kolodziejczyk Is Like a Raindrop"]

[Text] "We do not really like the concept proposed by NATO, which stresses the precedence of Poland's economic integration with the West and envisions the road via the West European Union and only then rapprochement with NATO as the first step. We recently talked about this openly in Brussels," we were told by National Defense Minister Piotr Kolodziejczyk, who along with Aleksander Luczak, deputy prime minister and national education minister, signed at the National Education Ministry [MEN] yesterday an agreement on interministerial cooperation.

According to Kolodziejczyk, military integration with Western Europe must take place simultaneously with economic integration, and it should be even more rapid. The minister said that he is determined to force this stand and be as consistent as "a raindrop that is persistently eroding a hole in a rock." The Atlantic Cooperation Council should give some thought to the most recent proposals by Russian Defense Minister Grachev concerning the extension of CSCE activities; however, work on such concepts should not be a mechanism blocking the processes of integration of some countries with proven systems in the West European security.

National Defense Committee [KOK] Secretary Jerzy Milewski, who took part in the meeting in MEN, said yesterday that most probably next week KOK would hold a session, which was announced at the last meeting of the government. One of the issues to be discussed at the session is, among other topics, the controversial issue of the position of the head of the General Staff. The national defense minister is of the opinion that even in a short transition period—for a year or two—the issue should be regulated, before it is finally decided in the Constitution. This view is shared by Milewski. "Today the situation is still unsteady; everything depends on the current opinion of the president or the members of the government," he claims.

According to the first deputy minister of national defense, on the basis of the Small Constitution it is not possible to take any radical steps aimed at clearing any doubts concerning the issue of subordinating the General Staff head. Therefore, a compensatory balance will be unavoidable. "The minister bears constitutional responsibility for the ministry that he is in charge of, including the Army, and these prerogatives cannot be changed for the time being. Political agreement between the Belveder and the coalition concerning the inviolability of the Small Constitution is in force," says Milewski. "The president is also responsible for the Armed Forces because he is the commander in chief. The fact that the president appoints the General Staff head after consulting the minister—not at his request—leads us to conclude that the legislator wanted to guarantee the

president 'direct transmission' [as published] to the Armed Forces, not merely as general supervision through the minister." Milewski believes that during a calm, rational debate, after the "issue is positioned" properly, it will be possible to reconcile all the stands, and satisfy the needs of both the Belvedere and the government. Political conclusions might be included, for example, in an interim law on the office of the minister of national defense and the office of the head of the General Staff.

OPZZ, Aftermath of Solidarity Strike Examined

WS3105140094 Warsaw RZECZPOSPOLITA in Polish 31 May 94 p 2

[Article by Bernadeta Waszkielewicz and Pawel Reszka: "'Solidarity' Is Weakened, OPZZ Will Not Act Against the Government"]

[Text] After the weekend, which was dominated by trade unions—"Solidarity" ["S"] staged a demonstration and the All-Polish Trade Unions Agreement [OPZZ] held its Third Congress—the government can be satisfied. As a result of the protest, which began in February, "S" has become considerably weaker. In OPZZ Ewa Spychalska is the top dog, and it has become clear that the union will neither leave the Democratic Left Alliance nor organize any protests against the present government.

The demonstration of "S" was attended by...

Fewer Unionists

...than had been announced by the union's leaders. "All of Poland will go there," they said; during the demonstration they stated that there certainly are as many of them as there were in the February rally. At that time 27,000 persons participated in the demonstration; on 27 May there were fewer persons.

It seemed that after the strikes, which were not so great, not "nationwide," not so "general," after the lost battles with the government, "S" would like to attract as many persons as possible to the demonstration heading for the premises of the Office of the Council of Ministers; it seemed that it would want to do that to show its strength and to shake its fist at the government—for the last time before the second stage of the protest action. This is not what actually happened, though. One can claim, of course, that it is not "S" itself that is to blame for what went wrong—because for example, the General Directorate of the Polish State Railroads made the consequences of the strike of the railroads workers easier to endure for the people. It is also possible that, as Krzaklewski says, "if there had been a strike fund in every enterprise, every second company would have stopped work"; it is possible that to blame are "the people with portfolios, travelling all over the country and putting out strikes with pay raises"; it is also possible that work forces and the trade union itself are simply responsible and know which enterprises can go on strike, for how long, and when. One thing that is certain is that the leaders...

Were Saying More Than Was Actually Happening.

They discredited themselves and their actions by referring to short breaks in work, rallies, and collections of money for the strike fund as "nationwide and general" actions.

"They should not have come here all the way from Gdansk and have said at rallies: We will force the authorities to pay for the strike," said one mining activist. Lignite mines extracted this pay "from the throats of the authorities," and so did zinc and lead mines, probably resorting to threats, because they suspected that the "S" leadership is too weak and the authorities of the Republic of Poland are too strong.

Hard coal miners agreed to join the strike, but supported only the demands of their own branch—they did not back the slogan "a million for the bottom, a half million for the top." It seemed that when they get what they want and achieve political success, they will resign themselves to the lack of pay for the strike. On the other hand, the government has always paid and this was promised by the "top" of "S." There was no fund, no support; the promises turned out to be empty. Therefore, miners, just as many other enterprises in Poland, felt deceived by their own people. They were not numerously represented at the demonstration—only the representatives of several mines participated in it. There were fewer people because...

Since January They Had Already Become Tired

...of the action, which was constantly being discussed. Those who did come, however, were more determined and more than ever had their gaze fixed on the chairman, who "folded up the umbrella," cut the union off from parties, politicians, and the president.

In the meantime, there are rumors that Silesia—the main force of the union—is getting ready to have certain things explained. Less than fifty percent of all mines took part in the strike. The present heads of the regions and of the mining secretariat at first implemented the decisions of the National Committee; however, toward the end of the action they showed impatience. All the other mines are said to sympathize with the former authorities; therefore, in the present strikes strength in bargaining about the region's stand was shown.

The second stage of the "S" protest action consisted of "legal interventions" in all establishments; the union started this stage weaker than it was before the strikes; it found itself helplessly asking the question: What should be done next?

Let us now analyze...

What Happened at Third OPZZ Congress.

It is worth recalling that last year Ewa Spychalska gave the government from three to six months to begin implementing the election program. OPZZ stressed the necessity for full valorization of disability and retirement pensions, as well as the annulment of the enterprise tax on above-normative pays [popiwek]. Next the union voted for the budget on condition that it was amended. After the Third Congress practically nothing changed within OPZZ. Ewa Spychalska easily maintained and consolidated her leading position. Generally, OPZZ does not want to leave the Democratic Left Alliance [SLD] or protest government activities—it wants to negotiate. This is the most important issue. For those who carefully followed the course of the congress sessions, the rest of the decisions remains in the sphere of rhetoric (at the congress unequivocal declarations were made that "OPZZ will not be an umbrella for any government," and that unionists would demand full valorization of retirement and disability pensions, and oppose the new enterprise tax on above-normative pays and insufficient expenditure on the budget sphere). Both before and after the congress...

The Government Was Not Overly Concerned

...about the demands and declarations. There is no valorization; the government wants the new enterprise tax on above-normative pays to stay (even though Prime Minister Pawlak once again did not make a clear statement on that). Deputy Prime Minister Kolodko told the unionists that the amendment of the budget is now neither possible nor necessary. If there is such a possibility, the changes will be only minimal.

In addition, Grzegorz Kolodko, deputy prime minister and finance minister, (in his speech, which was very good) provocatively asked the unionists for advice:

Should the taxes, raised in 1994, be decreased, with all the consequences for the budget sphere? Should they be maintained at the present level? Or should they be further increased?

This statement caused consternation in the conference hall: It was clear that the unionists of the industry and the unionists of the "budget sphere" are aware of two different answers. Taking advantage of the situation, the deputy prime minister asked whether it would be a good idea to limit the time of work and the salaries in regions that are particularly threatened by unemployment, and to employ more people there. "Because this is what solidarity is about." There was no answer. Kolodko promised that, if the budget is amended, he would ask unionists who should be given the additional several billions of zlotys (he knew that the line of the people whose interests the congress participants represented would be long and that the interests would be conflicting).

There was no discussion with the deputy prime minister, nor were there any statements of dissatisfaction.

Following the Old Custom...

...the participants started to clap their hands. The same was done after the speeches of other officials, even though they mostly complimented OPZZ. After the guests left, the participants of the congress, again following the old custom, adopted several resolutions demanding many things from the government. Assurances were given that OPZZ would also be able to stage a strike and that it would not serve as an umbrella. The decision was made to form an union circle within SLD (incidentally, all the time during the conflict with Stanislaw Wisniewski, who was forming his own faction, Chairwoman Spychalska claimed that such a circle had existed for a long time).

Thus, the course of the congress does not suggest that OPZZ will make any changes in the policy that it has been carrying out thus far.

Minister Says No Bilateral Talks With Unions

LD3005142994 Warsaw PAP in Polish 1303 GMT 30 May 94

[Text] Czestochowa, 30 May—The government will not hold bilateral talks with any trade union, Leszek Miller, labor and social policy minister, announced at a news conference in Czestochowa today.

According to Miller, the aim of Solidarity is not to hold negotiations on their demands, for which the best place would be a the tripartite commission, but to bring about negotiations solely between the government and Solidarity. The demonstration in Warsaw on 27 May was held in order to achieve this, among other things.

"The government will not conduct any bilateral talks with trade unions. First, there exists a third party, namely employers. Second, the government cannot conduct separate negotiations on similar demands with a different trade union confederation on each occasion. Taking into account the number of trade union confederations, the government would do nothing but negotiate and would not have time to implement anything," the labor minister said.

Finance Minister Presents 'Strategy for Poland'

WS3005123294 Warsaw RZECZPOSPOLITA in Polish 30 May 94 p 2

[Report by P.W.R.: "Coalition Has a 'Strategy for Poland'"]

[Text] The government of the coalition of the Democratic Left Alliance and the Polish Peasant Party has worked out a "Strategy for Poland." It is a plan which, according to Deputy Prime Minister Grzegorz Kolodko, can result in an increase of the GDP by as much as 22 percent within four years. The real consumption is supposed to increase by more than 10 percent, as is the number of work places. The plan is to be discussed at the next session of the Council of Ministers. Next week it is

to be debated in the Sejm. The deputy prime minister also stated that "today there is neither a possibility nor a necessity" for amending the budget. The deputy prime minister announced all this at the Third Congress of the All-Polish Trade Union Agreement and received a thunderous ovation.

What the Plan Contains

According to Kolodko, the new government plan includes all Poles, even though this does not mean that everyone will be happy. He added that it is the human being, not the money, that is the central point of the new strategy.

The plan envisions a processes of deregulation, decentralization, denationalization, and lessening the participation of the state in the economic life, said Kolodko.

The strategy for Poland consists of a key program whose theses put the main emphasis on the following: Lowering the social costs of reforms, creating a strategic concept (rapid economic development, systemic and economic stabilization, improvement of living conditions for the people). These theses are broken down into 10 main programs:

1. Shaping of modern work relations and regulation of remuneration.
2. Reform of the system of social insurances.
3. Combating unemployment.
4. Development of rural areas.
5. Investment in human capital.
6. Improvement of the efficiency of the management of state-owned property; ownership transformations.
7. Development and reform of the financial sector.
8. A medium-term financial strategy.
9. Security of the economic exchange and absorption of the gray market.
10. Competitiveness of the Polish economy in foreign markets.

These programs are then divided into more specific and detailed programs; the ideas of previous governments were also taken advantage of in the preparation of these programs.

The deputy prime minister explained that everyone will be able to benefit from the reform of the social insurances; however, this will be possible only after "more than ten years." He gave assurances that "the government will carry out a policy as a result of which unemployment will be dropping." He promised that "in the long run, investment in human capital (education, science, culture, health protection) is looked upon by the government as one of the springboards of development; it wants the share of the budget expenditure for these four areas to increase." He stated that the economic sectors will be treated equally and that the areas of state-owned property will be separated. According to him, the inflow of foreign capital is to be treated as an instrument for improving the Polish economy.

The strategy for Poland proposes a solution, whereby in the regions that are particularly threatened by unemployment the time of work should be shortened: more people would have jobs, but naturally the salaries would have to be smaller.

What the Plan Will Yield

According to Kolodko, the "Strategy for Poland" will result in an increase in the GDP "perhaps even" by as much as 22 percent within four years. It is also to be expected that real consumption will increase by more than ten percent; this increase should not omit any social groups. It will create new work places; the strategy will also result in economic and systemic stabilization.

"The coalition government proposes a strategy for Poland. It is our option which the people will or will not accept. We do not claim that there are no other options; however, we do claim that this one is the best."

Kolodko called the strategy for Poland "the result of four trends": social listening ("we are listening to what the people are saying"), economic professionalism ("we will only promise solutions that are possible to implement, because this coalition will give such promises as were given by some of the previous governments"), pragmatism, and conciliation ("we are proposing a program that all Poles can reach agreement over").

Revision of Budget Not Very Likely

The deputy prime minister said that there is no additional money in the budget, although he conceded that receipts are a little higher than expected.

"A revision of the budget will be made this year, if there is such a possibility and necessity. Today there is neither such a possibility nor necessity. If such a possibility appears, the shifts will be minimal. I will ask trade unions for advice as to how these several trillion zlotys, if they appear, should be spent."

Debt Reduction Talks With London Club Viewed

WS0106091994 Warsaw NOWA EUROPA in Polish 1-2 Jun 94 p 1

[Report by Adam Uklanski from Frankfurt am Main: "Commercial Banks Are Listening; Polish Proposals Described as 'Fair and Realistic'"]

[Text] *On Monday, a freeze of the trade in Polish debt will take place. Private banks which are members of the London Club should decide on a formula for the debt reduction by 29 June. The first presentation of the Polish proposals took place in Frankfurt am Main, with the participation of representatives of German, Swiss, and Austrian banks.*

The final date for the signing of an agreement between the Government of the Republic of Poland and the London Club, was announced as well—it will take place in Warsaw on 13 September, followed by individual

agreements with each of the 500 commercial banks which are Poland's creditors. Krzysztof Krowacki, the government plenipotentiary in negotiations with the London Club, has announced that work on creating legislative opportunities for investing bonds in Polish companies subject to privatization, should be finalized at the beginning of next year. By signing the agreement—Krowacki added—the banks are making an investment in Poland, but they will also benefit from Poland becoming a permanent element of the European economy. This is not irrelevant to the banks concerned because the new business will compensate very significantly for what they had lost in connection with the debt reduction.

Ernst-Moritz Lipp of Dresdner Bank who is heading the negotiations of the London Club's working group stressed that unlike agreements on debt reduction with Latin American countries, the agreement with Poland sets no upper limits and the choice of the way of debt reduction is completely unrestricted. In Krowacki's assessment, there is a danger, theoretically speaking: If choosing the "buy back" [preceding two words in English] formula means that 20 percent of the entire debt would have to be bought back (about $2.5 billion), then that would be the upper limit of Poland's repayment capabilities. However, so much attention should not be directed at cash because in the unanimous view of the bankers present at the meeting, bonds are "more attractive." Krowacki announced that Warsaw will buy "collaterals" [preceding word in English] in the form of U.S. State Department bonds, which will constitute a guarantee of the Polish Government's repayment capability and which should increase the credibility of the operations for exchanging credit bills of exchange in return for parity and discount bonds; the operation is scheduled to begin 31 October.

IMF Assesses Country's Economic Policies

WS3105123394 Warsaw ZYCIE WARSZAWY in Polish 31 May 94 p 9

[Report by Marek Jaslan and "Kraj": "Guests From IMF Are Coming; There Are Big Chances for Concluding an Agreement"]

[Text] *Marcus Rodlauer, IMF's representative to Poland, assesses positively the principles of the government's economic policies for 1994-97, as well as the National Bank of Poland's [NBP] monetary policies. But a lack of salary controls in state-owned enterprises is cause for concern for Rodlauer. According to him, this creates a danger of a price rise.*

An IMF mission is coming to Poland tonight on a two-week visit. It will be headed by Michael Deppler, a deputy director at IMF's European Department. The IMF representatives will be conducting talks at the individual ministries. The goal of the talks is to become familiar with the current economic situation in Poland and also with the government's economic principles for the future. This is to lead to the signing of another agreement between Poland and the IMF. There is a chance that this might take place as early as August. Such a view is expressed among others by Marcus Rodlauer, IMF's representative to Poland.

One of the items on the agenda for the IMF mission will be to become familiar in detail with the economic program that was recently presented by Grzegorz Kolodko, deputy prime minister and finance minister. According to Marcus Rodlauer, the assumptions made in the program—that is a rise in the GDP by 22 percent by 1997, and also a single-digit inflation figure in the same year—look quite realistic.

While assessing Poland's current economic situation, Rodlauer told ZYCIE WARSZAWY that Poland is one of the few European countries with this kind of economic growth rate. "That is why one must assess the government's economic policies positively," Rodlauer added. But there are still a number of problems that the government will have to overcome, like the high inflation rate, agricultural issues, or state-owned enterprises.

Salary policies are one of the most important issues to be discussed by the IMF mission. Over the recent months, salaries in state-owned enterprises were rising fast. Therefore, the IMF experts will try to find out how the government intends to control salaries over the next few months and over the long term. According to Rodlauer, ignoring the problem may cause danger to the economy. A high, uncontrolled rise in salaries, may bring about a lower rate of economic growth, and may also become the reason for a price jump.

Rodlauer has high praise of NBP's monetary policies. In his view, the policies were consistent and cautious over the last few months while the reduction in the denomination of the zloty [elimination of the four last zeros] which is being planned for the beginning of next year, should contribute to an increased trust put in the currency.

EU 'Deliberately' Protecting Own Carriers

WS3105120994 Warsaw NOWA EUROPA in Polish 31 May 94 p 3

[Report by "J.S.": "European Transportation Market—A Door Left Ajar"]

[Text] *The countries of the European Communities deliberately protect their own carriers. Practically anyone can enter our country, and without paying attention to legal provisions—said Transportation and Maritime Economy Minister Boguslaw Liberadzki.*

According to the minister, the countries of the European Union [EU] should express a political will—followed by practical steps—aimed at eliminating any form of discrimination of carriers from Central and East Europe.

Transportation is regarded as a major source of revenue for the budgets of Western countries and that is why it is well organized while shipping companies have excellent canvassing networks at their disposal. Foreign TIR [International Road Transport] cars which bring merchandise into Poland, also carry goods on their way back in 85 percent of the cases, which makes the entire operation cost-effective. Our drivers on the other hand, carry just air on their way back, as a general rule. A small number of strong shipping companies has assured a dominating position for themselves in the European market. They themselves set prices which they all adhere to, while leaving a small space for small, local carriers. The Western shipping market is protected—among other things—by EU legal requirements concerning shipping companies' financial resources—which are different than our legal provisions—and by high technical standards concerning the vehicles' construction and equipment.

We cannot agree to this kind of terms. We stressed these issues strongly during a European Conference of Transportation Ministers in Annecy, France which took place in the last days of May—said the chief of our ministry. During the conference, the Polish representatives supported an initiative aimed at a gradual liberalization of legal provisions concerning international transportation. We need a few years to adapt to those provisions.

Poll Results on Party Popularity Evaluated

WS3105120094 Warsaw RZECZPOSPOLITA in Polish 31 May 94 pp 1-2

[Report by Renata Wrobel: "Public Opinion Research Institute for RZECZPOSPOLITA; The Left Goes Up, Peasants Go Down"]

[Text] The most surprising result of the latest opinion poll on Sejm election preferences is the low position of the Polish Peasant Party [PSL], which received merely 12 percent of the "votes." This is half as much as the score of the Democratic Left Alliance [SLD] (a considerable improvement of its position in comparison with April), and only a little higher than the result of the Freedom Union [UW]. The rating of the latter is much lower than might be expected if we simply added former supporters of the Democratic Union [UD] to the supporters of the Liberal-Democratic Congress [KLD]. The center right is hardly making up for the losses that it incurred in last year's elections. The poll was carried out at the request of RZECZPOSPOLITA by the Public Opinion Research Institute [PBS] in Sopot in mid-May.

Disillusioned Peasants

After gaining favorable (24-25 percent) ratings at the end of last year, the support for SLD has been at the level of 20 percent since January; in May, however, it "went up" quite noticeably. The increase in the electoral popularity of the left coincided with a decrease in the number of supporters of the other government coalition member—PSL. The decrease in its popularity had been continuing for several months then; however, since January it has plummeted by as many as 5 percentage points.

The opinion has become quite popular that PSL is in a luxurious situation in comparison with other Polish political parties, because it has an exceptionally stable and faithful electorate, which consists first of all of peasants and inhabitants of rural areas. As this opinion poll suggests, however, this may turn out to be only an illusion. The disillusionment of the peasants toward PSL is quite clear; the popularity of PSL in this group is obviously decreasing.

Figures speak for themselves. As recently as December and January, 59 percent of peasants would have voted for PSL; in March—52 percent; in April—46 percent; and in May—only 38 percent. Every fifth peasant would now prefer to back SLD, every eighth—Polish Peasant Party—Peasant Accord [PSL—PL]. Among the persons who supported PSL in the September elections, nearly 60 percent of the respondents would make the same decision today; however, almost one in five would now back SLD. PSL also ceased to be the most popular party among the inhabitants of rural areas: it can count on the support of 21 percent of the representatives of this group, whereas SLD can count on 24 percent.

In the electoral "local" polls, the rating of PSL is still quite good. This may mean that many voters separate the party's policy on the state level from the moves made by popular local activists.

Two Plus Two Does Not Necessarily Make Four

Those who thought that the merger of UD and KLD would immediately ensure the new party at least a 20-percent support, as it was suggested by the last ratings of UD and KLD, can speak about disappointment. The result achieved by UW is much poorer. Some voters most certainly did not accept the merger; others are waiting for programmatic and tactical corrections; still others are simply not very familiar with the name. For the time being the hopes of the leaders of the new party are not coming true: The leaders are hoping that their party will attract persons from outside UD and KLD, even though it must be admitted that the number of former voters of the Non-Party Bloc in Support of Reforms [BBWR] who now declare support for UW has slightly increased.

In accordance with earlier guesses, the UW is a particularly popular party among the youngest respondents, well-educated persons, persons with good incomes, persons in high posts, school and university students, as well as inhabitants of big towns and cities. Most of the September supporters of UD (63 percent) and KLD (67 percent) are ready to vote for the new party. An interesting thing is that persons working "on their own" do not really burn to support UW, which is contrary to the image built up by the KLD circles. They more readily declare support for the Labor Union [UP] or SLD, and equally readily for BBWR and the Confederation for an

Independent Poland [KPN] (private entrepreneurs are a group characterized by probably the most diversified party preferences).

Dissatisfied Head for SLD

Talking about electorates. It is worth noticing a certain process that can be observed among the voters of SLD. The grouping is losing supporters with higher education (at the end of last year it would have received the support of 35 percent of the representatives of this group; now—only 24 percent) and persons in high posts (34 percent and 20 percent respectively). The party is becoming increasingly popular among voters with elementary education, manual workers, especially unskilled workers, persons with the lowest incomes, as well as senior citizens and disability pensioners—that is, part of the classical "dissatisfied electorate."

The Center of the Table More Stable

The popularity fluctuations are far smaller outside the first three positions. For the last several months UP has regularly achieved the level of 8 to 10 percent of the "votes"; BBWR and KPN—from 4 to 5 percent each; and the Union for Real Politics is slowly joining this group. The exception is "Solidarity" ["S"] the rating of which noticeably increased in May. Incidentally, its rating has improved four times since the period immediately following the parliamentary elections. Only the next poll will show whether this increase, probably caused by the latest "offensive" of the union, will be lasting. "S" is now particularly attractive for voters with vocational education, with an income ranging between one million and one and a half million zlotys a month per capita, and for unskilled workers.

The greatest losers in the September elections—the parties of the center right—are regaining their influence rather slowly. The five groupings that were taken into account in our poll (the Center Accord, Christian-National Union—ZChN, PL, UPR, and Movement for the Republic) jointly receive 14 percent of the "votes," whereas right after the elections, in November last year, the result was 12 percent. However, the relation between such simple addition and the actual influence of a party that is formed as a result of a possible merger is shown by the example of UW.

Materials used in the report include opinion polls conducted every month by PBS for RZECZPOSPOLITA; the last one was carried out on 14 and 15 May (a 1,010-person representative sample of adult inhabitants of the country).

[Box, p 2]

Electoral Preferences, March-May 1994

(in percent)

SLD	March	20
	April	21
	May	26
UW	March	21[1]
	April	21[1]
	May	15
PSL	March	18
	April	17
	May	12
UP	March	10
	April	8
	May	9
Independent Self-Governing Trade Union "S"	March	6
	April	5
	May	8
BBWR	March	5
	April	5
	May	5
ZChN	March	4
	April	4
	May	5
KPN	March	4
	April	4
	May	5

[1]The sum of the rating of UD and KLD.

Iliescu Views Foreign Relations, Minorities

AU3005201894 Bucharest DIMINEATA Supplement in Romanian 21 May 94 pp 2, 3

[Second of two installments of interview with President Ion Iliescu by Jean Mirot of the French daily LE FIGARO; place and date not given: "Romania—An Open Country"]

[Text] [Mirot] We have not heard you talk too much about the tragedy of Yugoslavia, one of your closest neighbors. Your foreign minister was reminding me of a smart saying: "Romania's only sure neighbor is the Black Sea." What are your feelings about this Yugoslav drama, an issue on which I believe you are more on the side of the Serbs than of the others?

[Iliescu] We are "pro-Yugoslavs." Talking about our neighbors, we could say that, throughout history, Romania's best neighbors were the Serbs and Yugoslavs, regardless of the type of state that existed on their territory. We have never fought against each other throughout history. On the contrary, we have been on the same side of the barricade. We suffered the same foreign occupations, that is the Ottoman and Austro-Hungarian occupations, and fought the same two world wars. There has always been a feeling of solidarity and mutual sympathy that dominated in our relations. From this point of view, we have regarded all this process that is currently taking place in Yugoslavia as a tragedy, a tragedy of a heroic people. During World War II, there were feelings of respect for the Serbs, for the Yugoslavs. They had the most important resistance movement in Europe against German occupation. They resisted the Stalinist pressure in the fifties and enjoyed great prestige.

It is appalling for us to see that after those historical events that consolidated their unity, this form of state is collapsing in the most tragic possible way. I have often visited Yugoslavia. In the seventies there were already problems, mainly in the economic and social areas. There were economic differences and discrepancies between the north, that is Slovenia and Croatia, and the south. There was a difference of one to six in the proportion of national product between the population in Montenegro and Slovenia for example. There were even certain disputes in this respect. I was in Montenegro in the seventies when there were discussions about the investments of Slovene capital, regarded as a means to exploit manpower through Slovene capital. The Slovenes in turn were asking themselves why should they export their capital to less-developed republics, that is, why export the surplus capital achieved by them, and so on and so forth. This was the period in which Kardelj (Edvard Kardelj, Broz Tito's closest associate] sought, with the help of certain amendments to the Constitution, to establish a federal fund for the assistance of less-developed republics. This means that, as early as that period, there were problems and friction that were probably triggered by economic problems.

What is currently happening in Bosnia is mainly a religious conflict, because, generally speaking—although in a different manner—the Croats and Serbs basically speak the same language. I believe that they belong to one and the same nation that was separated by history. There were hundreds of years of Austro-Hungarian occupation for some of them and Ottoman occupation for others. The Croats became Catholics while the Serbs remained Orthodox. The Croats are using the Latin alphabet, while the Serbs use the Cyrillic alphabet, but in any event, they understand each other very well.

In Bosnia, there are the Muslims. What does it mean—Muslims? It does not mean Turks, because they are also Serbs or Croats who converted to Islam. They had a Constitution of the Republic of Bosnia-Herzegovina, based on the consensus of the three ethnic groups. The referendum was based on the principle of majority, which was contradicting the constitutional principle of the republic, since that was based on the principle of consensus. Then, the Bosnian conflict emerged. Before 1990, the Croats and Slovenes advanced a proposal to turn the federation into a confederation. Maybe that would have been a political solution to avoid this breach. But I believe that all sides showed a rigid attitude toward these political problems that triggered the conflict. It is a pity, because, as I have previously said, we are talking about a nation with a quite troubled history, and there is a human tragedy taking place there. Therefore, we are in favor of all possible solutions that would facilitate the accord between the interested sides in Yugoslavia.

[Mirot] Do you view the economic embargo as an effective method of reestablishing peace? As you know, you are suspected of violating the embargo on the Danube River.

[Iliescu] I know that, and this is not true. There is a permanent Western European Union commission that is cooperating with us. We endorsed a decision of the United Nations, and as far as it is concerned, we showed a correct attitude in implementing it. If some incidents have taken place, this can happen anywhere. However, from the viewpoint of the state, we have taken all possible measures and there is international cooperation in supervising and making sure that these measures are respected.

But, talking about the embargo, I do not believe that it is an efficient measure, as practice has demonstrated, just as military measures are not sufficient to solve disputes and conflicts. On the hand, military conflicts have worsened the climate and reduced the potential for dialogue, because other aspects appear that make it even less possible to hold dialogue after military conflicts. Therefore, I believe that the only possible, acceptable, and effective method is to make all possible efforts to facilitate communication, ensure dialogue, and search for political solutions.

[Mirot] After the example of Yugoslavia, the Hungarian minority in Romania seems to be complaining about the

violation of their rights. Is there a risk that at one point "a Milosevic" might gather all the Hungarians who live here in Romania under the same banner?

[Iliescu] We are constantly prepared. We have held talks and carried out certain comparative studies regarding the rights of minorities in Romania, especially the rights of Hungarians and the rights of minorities in Hungary and in any other European countries. I do not believe that in the whole of Europe there is another country where the ethnic minorities enjoy all those rights that the Hungarians currently enjoy in Romania. And we can approach all aspects of this issue. The Hungarians represent 7 percent of Romania's population, that is, they number 1.7 million people. The majority of them live in Transylvania, but also in other regions, and there are over 30,000 Hungarians in Bucharest.

[Mirot] And the majority of these 1.7 million are Serbs.

[Iliescu] Serbs?

[Mirot] Yes.

[Iliescu] No. Hungarians. Most of them are living in Transylvania. The Serbs are something else. There are other nationalities in Romania, who represent 3 percent. We have representative of the small groups of ethnic minorities in our parliament. We have stipulated in our Constitution that all national minorities will be represented in parliament regardless of the direct results of the elections. Thus, the representation of all minorities in parliament is ensured. There are small groups of minorities such as Italians, and even they have their representative in parliament. The same can be said of Armenians, Greeks, and others. However, the Hungarians represent the largest group, thus they have 39 representatives in parliament, I mean senators and deputies. They have representatives in all municipality, town, and regional councils in areas where they live in a larger number. There are only two counties where the Hungarians represent the majority of the population. And this majority is represented in councils that function in these areas. They have education in their mother tongue at all levels, starting with elementary school and ending with university. They have their press, radio stations, television, and every possibility to assert themselves in all areas.

You will find nothing like that in Hungary. Their reply to this is that you will not find such a large minority in their country like the Hungarians in Romania. But this is not an issue of numbers, but of principle. They made a big fuss about the law on their minorities, but no ethnic minority has a representative in their parliament and their parliament rejected this idea. There is no school where the teaching is in the mother tongue of ethnic minorities. All minorities in Hungary study their mother tongue as a foreign language, while they play the champions on the issue of minorities' rights.

From a psychological viewpoint I can understand the attitude of the Hungarians. This is a remnant, a vestige of imperial nostalgia and all countries that had empires before have the same manner. You can see the attitude of the present Russia toward all republics that have become independent states. They regard the rights of Russians as a fundamental problem. This was also the case with the French, with their departments oversees, wasn't it?

[Mirot] Certainly.

[Iliescu] This was the case with the British when they lost their empire. Thus, it is natural that the Hungarians have the same feelings and this is the core of sensitivity on both sides.

The Romanians are one of the oldest nations in Europe. We have lived here for thousands of years. When the Roman empire started expanding, they found here an organized state of the Dacians, our ancestors. For years on end, our ancestors had commercial and economic relations with the Greeks and they had an organized state. When the Hungarians came to Europe and when the Germanic and Slav tribes came to Europe, they found the Romanians in their place. Transylvania was the political center of the former Dacian state and during the Roman colonization it was the political center of the Roman colony, that is Roman Dacia.

Throughout history, even in the statistics compiled by Hungarians or Austrians, the majority population in Transylvania was Romanian, but the feudal law included this principle of "unio trium nationum" which meant that on the political plane the Romanians were not recognized as citizens but as serfs and the only ones who had the right to be represented in the Transylvanian Diet were Hungarians, Germans, and Secklers. There were different statutes for them. This was quite a long period in history when Transylvania was an autonomous principality. There was a period when Transylvania was subordinated to Vienna and there was also a short period of 67 years when it was subordinated to Budapest. In all these periods of time, only the Germans, Hungarians, and Secklers—these last ones are a people of Hungarian origin, but an older one that was settled on the boundary of the empire; today they form the majority population in two counties in Romania—thus only these three nations had the right to be represented in the Diet, but not the Romanians. Thus, you can understand the feelings of the Romanians, who fought for centuries on end for their national liberation. In 1918, after World War I, when the Austro-Hungarian empire collapsed, the national Romanian state was established. That was the moment of the liberation of Romanians, of self-determination, and of union with the other historical provinces that were formerly, that is in the last century, liberated from the Turkish domination and Bessarabia from the Russian domination. For the first time, a united state of Romanians was established. Therefore, on the one hand, there are these feelings of the Romanians toward those who wish to contest this historic reality, but, on the other hand, we understand the Hungarians, too. They were the dominant nation—although they were the minority—and suddenly became

a national minority. It is certainly a feeling that we can understand. However, we should also understand....

[Mirot] On the other hand, we have learned that in Moldova, which was part of Romania, a referendum took place and those who wished the unification with Romania—which is a natural feeling—were defeated. Do you believe that one day this unification with Moldova will be achieved?

[Iliescu] Today, the problem of unification of the two states is not a topical issue because it is a more complicated problem. This territory was for the first time occupied by Russian in 1812, when Turkey was making preparations for the campaign against Napoleon. At that time, Russia was waging a six-year war with Turkey. It halted the war with Turkey. This was a period when Turkish diplomacy was quite weak and the Russians, without winning, succeeded in obtaining a territory from the Turks, namely Bessarabia. That was half of the historical province of Moldova. Bessarabia became a Russian "province" for 100 years, until World War I. After World War I, Bessarabia was integrated into the Romanian sate. In 1940, through the Ribbentrop-Molotov Pact, the Soviets not only occupied "tsarist" Bessarabia—a territory occupied by the tsars—but also occupied another territory, namely North Bucovina, which has never belonged to Russia. Before World War I, this was a land occupied by Austria for 150 years. It was included in the Austrian Empire, but it did not belong to Russia. However, they occupied this land, claiming that it was a sort of "compensation" for the 20 years of occupation of Bessarabia by Romania. There was also an interesting event. In 1965, in North Bucovina, there was a movement of the Romanians who said: The 20 years have passed, we should return to Romania. There was a certain motion and I was in Suceava [northeastern Romania] near the border and I was told that there were many families with relations on the two sides of the border and those families said: Our people say that it is high time for the return of our land. But certainly, when the Russians occupy a land, they never withdraw.

They did something else, something that the Tsarist regime had never done before. They divided the land into three parts: They incorporated the southern and northern parts in Ukraine—this was carried out by Stalin and Khrushchev who was first party secretary in Ukraine—and they also attached a territory, the Dniester, which did not belong to Romania. but which was also created by Stalin in 1942, as an "autonomous republic" of Moldova, probably having the idea of annexing the other part of Moldova, too, that is, Bessarabia. Then, they created a situation that is more complex today, when we can no longer talks about a whole land. The Republic of Moldova was proclaimed on the territory of the Soviet Republic of Moldova. This includes only a part of the territory occupied by the Soviets and, before then, for one century by the Russians, and another territory, that is, Dniester. There is a movement of Russians there who claim that if Moldova unites with Romania, they want guarantees that they are going to stay outside Romania's borders. This is the Dniester conflict. Thus, from this point of view, the situation in Moldova is quite sensitive, with pro-Russian movements and with the quite-complex feelings of the Romanians who live there and represent the majority of the population; 65 percent of the population are Romanians. However, there is also the problem of the other territories.

We have always approached these problems in a realistic manner. We believe that in politics one should take into consideration current historical realities. Otherwise, there will be no peace in Europe, because there are innumerable border problems such as the problem of Germans in Koenigsberg and the other territories, the Poles with their border problems, and even the French and the Hungarians and all the others have such problems. Therefore, one should take into consideration the current realities, with the current borders, and we believe that the only criteria to be considered are the post-war understandings, treaties, the Helsinki documents, and the Paris Charter. Thus, we recognized the independent Moldovan state. We regard it as the second Romanian state, but only history can tell what will be the fate of this state. There is no need to create new tension now. This is not in Moldova's interest, it is not in the interest of the Romanian state, and of peace in general to stir this issue. One should take realities into consideration. We will have to support the development of direct relations and this is already a gain. Previously, during the rule of the Soviet Union, we could have no direct relations with Chisinau and with that region. All problems had to be discussed with Moscow. But today we have another situation, because we can have direct contact and human contact. We do have this possibility now. We believe that the only solution is to take concrete steps and develop economic, cultural, spiritual, scientific, and human relations and to establish an unhampered system of communication.

[Mirot] I have a last question, so that I do not take up too much of your time. Bucharest used to be called the "little Paris"; you speak excellent French, and it is true that we, the French, feel somehow at home here. I hope that this feeling will be mutual when you are in Paris. However, we are a little worried about the Francophony and the strong offensive of the English language. Your generation speaks French excellently, however, under the Ceausescu regime, obviously there was a lapse in the use of the French language. What do you do currently to relaunch Francophony?

[Iliescu] First of all, I would like to stress a few fundamental ideas. Regardless of the political orientation, political groups, or personal orientations, I believe that there is a unanimous feeling among Romanians as far as relations with France and the attitude toward France are concerned. This is not only a sentimental issue. This is connected with our Latin origin—because we are situated on the eastern side of the Latin world and we are also an island of Latinity in a Slav world—but also

because throughout history we have had direct connections with France and all Romanians could feel the support granted by France as decisive in certain tragic moments or decisive moments for our country.

On the one hand, France discharged a spiritual influence in the past because it was at the forefront of modern changes in Europe—the French revolution and the enlightened ideas of the French realism—and many Romanian intellectuals were educated in France. During the 1848 revolutionary movement, there was a direct link between the French and Romanian revolutionary movements. Our struggle for national assertion and for national independence were constantly supported by France. During World War I, the time when the Romanian united national state was established, the political support granted by France was decisive—Trianon was a decisive moment for us from this point of view—and, as a result of it, all these historical ties created a general feeling in all Romanians for France, feelings of sympathy and solidarity throughout history with France. Therefore, the establishment of privileged relations with France have always been a constant and dominant part of our foreign policy. This is also a constant feature of our current foreign policy as well.

However, we have a certain feeling of apprehension regarding the official position towards an interest of some circles in France to sustain and support the political wish of Romanians. This feeling of apprehension is also caused by the fact that even the French mass media sometimes expresses attitudes that are not always friendly toward the processes that are currently taking place in Romanian society. If you wish, I can tell you that, in a way, the Romanians expect France to play a role toward Romania that is similar to the role played by West Germany toward East Germany. Maybe, in this case, the ties are less strong. In case of Germany we are talking about a completely united community, but we would like France to show the same feelings.

Certainly, we are not denying the constant support that France granted to Romania after the revolution—immediately after and throughout this period—in European institutions such as the Council of Europe and the European Union. We have greatly appreciated this support. Our relations are generally good but, since you started discussing this subject, I would like to use this opportunity to tell you that the Romanians expect a more open attitude. I cannot deny that we feel France's friendly attitude toward us, but we would like to see a greater interest, mainly coming from business circles. We are in the middle of a very dynamic period of economic development and Francophony is not only a sentimental issue. If it is not supported with fundamental relations, through economic activity, it might suffer, even if we take into consideration the current feelings and the feelings that we will always nurture for France.

[Mirot] We hope that your official trip to France....

[Iliescu] I hope too. Even if the Germans are busy with the territories in the east, are much more dynamic. They make less noise and less fuss, but are very efficient and active. The Italians are more active, too. They have political difficulties but, as businessmen, they are more dynamic than the French.

[Mirot] This is true. You are right. You are criticizing us in the mass media for the attitude that we show for Romania, maybe also for a certain worsening of the situation, which is no doubt connected with the revolution. The French mass media showed some reticence when reporting about your country, but we can assure you that we continue to love Romania.

[Iliescu] I think that the French can understand better now the "miners incursions" [in Bucharest in 1990].

[Mirot] Absolutely.

[Iliescu] I do not believe that there can be anybody who believes that young people's movements are manipulated by the presidents of the republic.

[Mirot] Absolutely not.

[Iliescu] But as far as the "miners incursions" are concerned, the French mass media took over the slogans that were disseminated in our country.

[Mirot] Mr. President, thank you very much.

New Army Corps Established in Iasi

94P20777A Bucharest ROMANIA LIBERA in Romanian 8 Apr 94 p 1

[Unsigned article: "A New Army Corps Has Been Established on the Eastern Border"]

[Text] Major General Viorel Cheptine, commander of the Iasi garrison, has announced the establishment of a new army corps in the municipality. The general reported his decision on the occasion of the swearing-in ceremony for the members of the "Stefan cel Mare" [Stephen the Great] mechanized division. The new army corps has been established in accordance with the new military strategy of Romania and is intended to reinforce Romanian military dispositions in the eastern part of the country, in a particularly sensitive zone. In accordance with the organizational structure of the Romanian Army, an army corps is composed of three divisions.

Zubak Elected President of Federation

LD3105153394 Belgrade TANJUG in English 1410 GMT 31 May 94

[Text] Belgrade, May 31 (TANJUG)—The constituent assembly of the Muslim-Croat federation on Tuesday [31 May] elected Kresimir Zubak, a Croat, the federation's first president, Muslim-controlled Radio Sarajevo reported. At a session in Sarajevo which opened on Monday, Ejup Ganic, a Muslim, was elected vice-president of the federation.

As announced, they will hold the offices during the six-month period of transition, till the elections. Previously, the deputies adopted (with one abstention by a Croat representative) an amendment of the constitution of the former Yugoslav Republic of Bosnia-Herzegovina and adopted the constitution of the future Muslim-Croat federation.

The agreement on the setting up of a Muslim-Croat federation in Bosnia-Herzegovina was signed in Washington on March 18, under strong pressure from the U.S. Representatives of Bosnian Serbs were not invited to these talks. Under the Washington agreement, the federation would subsequently enter into a confederation with neighbouring Croatia. At a recent ministerial meeting of the U.S., Russia and the European Union, it was agreed that the Muslim-Croat federation get 51 percent, and the Serb state 49 percent of Bosnia-Herzegovina.

Izetbegovic Proposes Negotiation Guidelines

AU3105191694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 May 94

[Text] After the session of the Constituent Assembly of the Federation, the Assembly of the Republic of Bosnia-Herzegovina began work this afternoon. The agenda included several points, which were discussed by the deputies. The first point on the agenda was the determination of the guidelines for the continuation of negotiations and the nomination of the delegation for the negotiations in Geneva and France. Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, spoke about that. After that the deputies held a discussion behind closed doors at which they adopted the guidelines for the continuation of the negotiations. They endorsed the stands presented by Alija Izetbegovic, president of the Presidency, when he address the deputies.

[Begin Izetbegovic recording] Esteemed deputies, dear guests, we face two sets of negotiations. The first set of negotiations refers to the establishment of a general cease-fire in Bosnia-Herzegovina and are scheduled to take place the day after tomorrow, on Thursday [2 June]. These negotiations were called by Mr. Akashi.

The other negotiations are the continuation of the negotiations held in Talloires on the constitutional organization of Bosnia-Herzegovina, the further refining of the constitution, that is, the negotiations with Serbian side. In other words, they are determining the external borders of the federation. Therefore, there are these two meetings that are different in content, but are mutually closely connected.

Regarding the meeting that should be held the day after tomorrow—as you can see, I have put this in conditional form of should be held, because we have made our participation in these talks conditional on the withdrawal of Karadzic's Serbs from the exclusion zone in Gorazde. [sentence as heard] We have been repeating this demand since we received the invitation. This has already lasted six or seven days. They have not withdrawn to this date. [words indistinct] We will wait. If they withdraw in the (?meantime), we will go to these negotiations and discuss a cease-fire throughout Bosnia-Herzegovina, or the end of hostilities, as they say. So, the condition is the withdrawal. This is the condition for our participation in these negotiations. If this condition is not met I propose that we do not go to these negotiations. If the withdrawal does take place, we will go. We should then present the following stands:

First of all, we are talking about a temporary cease-fire. Akashi has proposed that this cease-fire last four months. We think, I think that this period is too long and that our delegation should demand not a cease-fire of four months but of four weeks. Why? Because, whether this was Mr. Akashi's intention or not, but Karadzic's Serbs energetically support this proposal, this cease-fire could obviously turn into the freezing of the lines. The agenda envisages, first, the separation of forces, second, the arrival and interpositioning of UNPROFOR [UN Protection Forces] between the warring sides, as is written there. All this indicates a danger and smells a bit of the freezing of the lines. In the situation when some 70 percent of Bosnia-Herzegovina is occupied, we, of course, cannot accept the freezing of the lines. We have very bad experience, the world has very bad experience with the situation in Cyprus where the temporary cease-fire has lasted 30 years. The line there has virtually become the state line.

Of course, it would be in the interest of Karadzic's Serbs to maintain and (?prolong) even more the state of occupation. Therefore, if these negotiations take place, our delegation should primarily demand the shortening of the cease-fire period. Another thing, we should carefully think what to do with the interpositioning of UNPROFOR.

I think that we should start with about a four-week cease-fire. We could accept a six to eight week cease-fire at the maximum. After four months we would face, we would be on the verge of the winter period and, of course, fighting for the liberation of the occupied parts would be very difficult in such conditions.

Regarding the other negotiations, the negotiations in Talloires, the negotiation on refining the constitutional organization, the reorganization of Bosnia-Herzegovina,

the agreement with the Serbian side, or, if you want, the determination of the external borders of the federation, I think that there are many ideas, and the discussion will probably produce even more ideas, but I would like to stress that our delegation should have two starting points, two bases that it needs to defend in these negotiations. The first is the preservation of the integrity of the state in every possible way, the preservation of Bosnia-Herzegovina as a state within internationally recognized borders. The second is what we could describe as everyone being his own master. This means that the map of the federation as envisaged in Vienna should be defended. In doing so, the additional provision could, of course, be as follows: Give the freedom to the delegation, proceeding from that map, to reach a certain agreement with the Serbian side. The delegation should be given the opportunity to be flexible in the talks. It should be given the opportunity, space to negotiate. There are various ideas here, such as the one on the gray zones, on [word indistinct] zone in the areas on which the agreement could (?not) be reached. The gray zones would have a special regime in them. They would be demilitarized and under UNPROFOR control. They would thus facilitate the realization of one of our important interests, if not the most important interest, namely that our army be deployed in these regions, or at least that the population return there.

As regards the delegation, I think that the composition of the delegation in both cases should be the same. I propose that the delegation consist of six members. Here is my proposal:

These should be Ganic, Zubak, Silajdzic, (?Bicakci), Akmadzic, and Lazovic. The delegation would be the same but, in the talks on the cease-fire, the delegation would be led by Professor Ganic, together with Mr. Zubak. The delegation in Talloires, in the negotiations with the Serbian side, the delegation would be led by Dr. Silajdzic together with Dr. Zubak. The delegation at the talks on cease-fire would also include two generals, Mr. Delic and Mr. Roso. This is my proposal. [end recording]

This is all on today's session of the Assembly of Bosnia-Herzegovina. The session will continue tomorrow at 1000.

Bosnian Serb Assembly Session Opens

LD3105153494 Pale Srpski Radio-Televizija Studio Sarajevo Radio in Serbo-Croatian 1300 GMT 31 May 94

[Excerpt] We begin this program with a report from a session of the people's assembly of the [Bosnian] republic of Srpska which opened in Pale today. Ljilja Kovacevic reports:

[Kovacevic] At the two-day session of the people's assembly of the republic of Srpska, the deputies will review a number of laws and legal documents on internal policy. These are primarily laws and legal documents on the functioning of state bodies and a number of legal documents from the spheres of legislation, agriculture, health, and information. These will be discussed today, at the open part of the session.

A proposal for the economic policy of the republic of Srpska for this year, a report on the work of the defense ministry, the problem of reorganizing the republic of Srpska army, as well as a report on the financial transaction and audit service will be discussed behind closed doors, most probably tomorrow. [passage omitted]

Serbs Reportedly Fire Tank Shells at Tuzla

AU3105145094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 31 May 94

[Excerpt] At about 1400 today, eight tank shells were fired on the broad region of the Dubrave airport [near Tuzla] from the chetnik positions in Citluk and (?Acino) Brdo. At that time a UN plane was landing on the runway. There is no information on the damage. This was reported by the Information Service of the 6th Operations Group Istok-Zivinice. [passage omitted]

Akashi Protests Shelling

AU3105185894 Paris AFP in English 1846 GMT 31 May 94

[Text] Zagreb, May 31 (AFP)—Bosnian Serb forces shelled Tuzla airport in northeastern Bosnia a few minutes after a UN relief plane landed there Tuesday [31 May], UN Protection Forces [UNPROFOR] officials said here. UN special envoy Yasushi Akashi immediately condemned the attack and said he had protested to Serb leader Radovan Karadzic over the incident, which comes ahead of peace talks scheduled in Geneva Thursday. The aircraft, an Ilyushin-76 arriving from Split in Croatia, took off again without unloading after nine shells landed in the close vicinity of the airport within a 20-minute period. There were no casualties.

One of the shells landed 20 metres (yards) away from the emergency services' base, and another 200 metres (yards) from the airport's control tower, an UNPROFOR statement said. A radar system operated by a Jordanian contingent attached to the UN Nordic Battalion revealed that the shells were fired from Bosnian Serb position 16 kilometers (10 miles) southeast of the airport, the statement added.

"Mr. Akashi said that such deliberate targeting of UNPROFOR, only a few days before scheduled talks in Geneva on a general ceasefire agreement in Bosnia and Herzegovina, was regrettable," it said. "Mr. Akashi has expressed his deep concern regarding this incident to Dr. Karadzic."

Tuzla airport was targeted by Serb artillery Monday afternoon when two shells were fired at it. Previous to that there had been no bombardments since May 17.

Serbs Violate Cease-Fire in Sarajevo Zone

AU3105194294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 May 94.

[Report by Jadranko Milosevic and Zvonko Maric]

[Excerpt] While the military observers of the United Nations are trying to keep their promise given in the Sarajevo UNPROFOR [UN Protection Forces] headquarters that they will convince the chetnik forces not to fire (?133) mm guns and the M-46 and M-48, which are popularly known in the aggressor army as chetnik nightingales, from the village of (?Gaj) inside the 20 km exclusion zone, the chetniks from (?Hadzici) on the other side have been attacking at irregular time intervals the lines of the fighters of the Army of the Republic of Bosnia-Herzegovina on the southern sector of the Hadzici front with 120mm and 80mm mortars all day today.

As we have learned from the command of the 9th Hill Brigade, 19 mortar shells landed on the positions of our fighters this afternoon alone. They were fired from Zunovaca, which is also inside the 20 km exclusion zone. The village of Loste was not spared shelling either. It was hit by five shells. [passage omitted]

Serbs Launch Day-Long Attacks on Gradacac

AU3105194094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 May 94

[Report by unidentified correspondent from the Information Center of the 107th Chivalrous Motorized Brigade of Gradacac]

[Excerpt] Attacks on the free territory of Gradacac have lasted all day, since early this morning. The projectiles from all types of weapons are showering the positions of our fighters and the central part of the free territory.

[Unidentified correspondent] Three tanks and numerous mortars, guns, howitzers from all the well-known chetnik strongholds took part in the attack today. After two infantry attacks had been successfully repelled, with the enemy suffering major losses, artillery continued to attack the town and the entire front. These attacks are mainly indiscriminate, nervous, and without a particular aim. Stunned by yet another defeat, the Serbo-fascists have been pounding the town all afternoon. [passage omitted]

Army Claims Ilijas Front Again 'Flaring Up'

AU3105201294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 May 94

[Sead Turkovic report from the Information Service of the 1st Army Corps]

[Excerpt] The Sarajevo region has been relatively quiet today. The aggressor is sporadically targeting the lines of defense with small arms. A mortar shell fired from the chetnik position exploded in Zagorska Ulica. The same happened in Dobrinja and Vrbanja Most.

The situation on the Ilijas front is again flaring up. After a brief lull, the chetnik artillery at Krnjaca, [word indistinct], Medojevici, and [words indistinct] became active with full force. From these positions, the regions of Mosevicko Brdo, (?Poret), and Milovac were hit with several hundred artillery projectiles of various caliber from different artillery pieces. At the same time, the aggressor also fired over 500 projectiles on Vrhove, Visicko Brdo, and Borovo Brdo from Nobozice, Kamenicke Stjene, and Dubine. The latest reports from this front indicate that the chetniks are continuing deploying new artillery pieces and bringing fresh forces, because in their four attempts to penetrate our defense positions at Taracin Dol they suffered considerable losses and were pushed back to their initial positions [passage omitted]

Sarajevo Radio: Serbs Intensify Brcko Attacks

AU0106090994

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 1 June carries in its regular 7-minute newscast two reports on the combat situation on the Brcko and Gracanica fronts.

Brcko correspondent Hamid Deronjic reports that "the Serbian aggressor's provocations that characterized the day [31 May] on the Brcko front intensified during the night. In the evening hours, the chetniks used 62 and 80-mm mortars, Tromblon grenades, and infantry weapons to pound the Brcko defense positions. On several occasions, the chetniks from (?Lipe) opened fierce fire at the central part of the defense. At 2115, the enemy used a hill gun to shell the wider area of Bajici but to no avail. The first morning hours on the Brcko front are marked by the Serbian aggressor's small arms' provocations, which are particularly pronounced in the region of Djukici. The defenders are not responding."

Izudin Durakovic, the correspondent from Gracanica, recapitulates the situation on the front in the past 24 hours and adds that "the shelling from howitzers, tanks, and Bofors from [name indistinct] and Besanj continued in the evening hours. Enemy vehicles were on the move throughout the day, bringing in fresh forces and hardware. In the 117th Lukavac Brigade theater of operations, the chetniks used a Broving and anti-aircraft guns to shell Malinjak. The night was more quiet than usual for this part of the front."

Serbs Arrest Six for Suspected Arms Smuggling

AU0106100194 Belgrade Radio Beograd Network in Serbo-Croatian 0900 GMT 1 Jun 94

[Text] During a routine check of a UN Protection Forces [UNPROFOR] vehicle at the Kasindol Street checkpoint, civilian and military police of the Serbian

Republic discovered a group of people that are strongly suspected of smuggling on behalf of the current authorities in Sarajevo.

Among the detainees is also an UNPROFOR member. The detainees were carrying a large amount of foreign currency, and it has been established that the suspects were charged with purchasing equipment for the army and the police of the former Bosnia-Herzegovina and that they had set off for the airport with this intention, from where they were supposed to fly to Zagreb. As the incumbent offices have reported, six people have been arrested and detained in prison, among them (Angelo Andrea), an Italian citizen who was in charge of the liaison with correspon[illegible]s in the UNPROFOR civilian sector.

The search has established that Savcinovic, Cakovic, and Kujic all possessed UN press cards, while, as he claims, he had the card of the UN High Commissioner for Refugees from the Muslim government because he was in charge of control of humanitarian cargo in Frankfurt. [sentence as heard] A letter was also found on Halilovic, which claims that Operation Parachute will be stopped in a month. An investigation is under way.

Bosnian Croats To Use Kuna as Currency

LD3105184994 Zagreb HTV Television in Serbo-Croatian 1730 GMT 31 May 94

[Text] The Croatian dinar together with the German mark has today remained a means of payment in Herceg-Bosna. The kuna and the [smaller denomination] lipa have not yet arrived in the markets and shops. However, the withdrawal of the Croatian dinar from circulation has started at the financial transactions bureau. All those with accounts with the bureau are paying their last deposits in Croatian dinars and are drawing cash in kunas. This is why it is so busy at the bureau's main Mostar branch.

While citizens are curiously comparing the new currency note with that of the German mark, and some even with the old kuna, it has to be said that from tomorrow they will be able to change dinars for kunas in business banks. The exchange will be possible until 5 June and the Croatian dinar will finally be withdrawn from circulation on 30 June, according to the Herceg-Bosna government's decision. Also according to the government's decision, the German mark and the U.S. dollar will be official means of payment, together with the kuna.

Serbs Reportedly Forced Into Muslim Units

LD3105154294 Belgrade TANJUG in English 1422 GMT 31 May 94

["Pool" item]

[Text] Zvornik, May 31 (TANJUG)—The massive mobilization of civilians for the Muslim forces is underway in the territory of the U.N.-designated safe area of Tuzla in northeastern Bosnia-Herzegovina, TANJUG learned from Bosnian Serb military sources on Tuesday [31 May]. Muslim military authorities are again forcibly mobilizing Serbs, escorting them under armed guard to mobilization sites, says the Bosnian Serb army statement which warns that representatives of the United Nations Protection Forces (UNPROFOR) and foreign reporters in Tuzla are not reacting to these activities.

All six Muslim safe areas in the former Yugoslav republic of Bosnia-Herzegovina should have been demilitarized in spring last year. Meanwhile, Muslims continue artillery attacks on Serb villages and army positions on Tuesday, Bosnian Serb military sources have said. Muslims are firing at Serb villages and positions in the area of Doboj in the north and in the area of Sokolac, Han Pijesak, Vlasenica, Sekovici and Zvornik in the east, the statement says.

In the area of Mt. Ozren, the Bosnian Serb army has thwarted an attempt by a Muslim terrorist-scouting group to infiltrate the area, says the statement. In the area of Velika Kladusa in western Bosnia, forces loyal to Muslim fundamentalist leader Alija Izetbegovic are building up their hardware and rallying terrorist groups in the area of Velika Kladusa, preparing a decisive attack on this town which is the center of the newly proclaimed Autonomous Province of Western Bosnia, the local Muslim radio in Velika Kladusa said on Tuesday.

Muslims in western Bosnia-Herzegovina, who were against the war-mongering policy of Izetbegovic, proclaimed autonomy in September last year, distancing themselves from the decisions of Sarajevo's Bosnian Muslim leadership. Heavy inter-Muslim conflicts have been underway in western Bosnia since that time, because Izetbegovic sent his army to stifle the new autonomy 'using all available means.'

Tudjman, Bosnian Croats Discuss Accord Issues

LD3105162694 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 31 May 94

[Text] We have just received a statement from the president's office: Republic of Croatia President Franjo Tudjman received a delegation of the Croat republic of Herzeg-Bosna in the presidential palace today. The delegation was headed by Prime Minister Jadranko Prlic. They talked about the further implementation of the Washington agreement. The delegation stressed that the power supply system and telecommunications should be restored as soon as possible across the entire federation and that they should be linked to the Republic of Croatia. They also stressed the need for the return of refugees and displaced people within the federation, in line with the Washington agreement.

Expressing support for the delegation in its efforts to normalize the situation as soon as possible and introduce new relations on the basis of the Washington agreement, President Tudjman suggested that individual Croatian counties [words indistinct] help in concrete terms in restoring some Croatian [word indistinct] in the federation's ruined areas.

President Tudjman launched an initiative for establishing a separate Croatian committee which will [word indistinct] trust and develop relations between the Croatian and the Bosniak people within the federation in Bosnia-Herzegovina and the confederation with the Republic of Croatia in the economic sphere, and in education, health care, culture, and all humanitarian issues.

Churkin on Efforts to Resolve Deadlock

LD3105222394 Zagreb HTV Television in Serbo-Croatian 2125 GMT 31 May 94

[Passages within quotation marks are recorded]

[Text] After the talks with President Tudjman in Zagreb this afternoon, Russian special envoy Vitaliy Churkin looked more than satisfied when he met reporters. According to him, important agreements have been reached.

[Churkin, in English with superimposed Serbo-Croatian translation] "I had two main tasks today. First, to make sure that all sides are ready for the very important meeting in Geneva on Thursday. Second, I was trying to find a way out of the deadlock in the talks on economic cooperation between Zagreb and Knin."

[Announcer] Churkin expects that all negotiating parties will turn up in Geneva, for—as he puts it—the negotiators have an obligation to the world community.

[Churkin] "On the second subject, I have an impression that the deadlock in the economic talks has been resolved. I am encouraged that we will soon see the beginning of the talks on economic cooperation, which will immediately come up with concrete economic measures, which will in turn enable further important steps to normalize relations between Zagreb and Knin."

[Announcer] Although Churkin announced further talks, the question of the venue and the date for the talks still remains open.

[Churkin] "I am not in a position at this point to make an announcement, but I believe that a venue will be found to their mutual satisfaction. As I said, the most important thing is that the deadlock has been resolved."

[Announcer] Churkin expects a great deal from the Geneva talks. He believes that the world community is at this point offering the greatest chances for peace, and it is up to the negotiators to accept it. To use his full influence on all parties in the Geneva negotiations, he is to travel to Sarajevo tomorrow for talks with Alija Izetbegovic and Kresimir Zubak.

Krajina Serbs Extend Blockade on UN Convoys

AU3105181294 Paris AFP in English 1807 GMT 31 May 94

[Text] Zagreb, May 31 (AFP)—Serbs from the self-proclaimed republic of Krajina in Croatia Tuesday [31 May] blocked UN aid convoys destined for the north-west Bosnian pocket of Bihac, the spokesman for the UN High Commissioner for Refugees, Peter Kessler, said. The Krajina Serbs have for the past two weeks held up convoys destined for the south of the Bihac pocket, which is controlled by the mainly-Moslem Bosnian government army. On Tuesday they extended the ban to convoys going to Velika Kladusa, headquarters of the maverick Moslem leader Fikret Abdic whose forces are fighting the Bosnian army.

Until the latest move, convoys for Velika Kladusa could leave Krajina without authorisation. "The Serbs now want us to provide authorisation for every convoy, one week in advance, from Knin," the headquarters of the Krajina Serbs, Kessler said. An estimated 230,000 people living in Bihac, surrounded by Krajina and Bosnian Serbs, depend on the UN delivering around 2,900 tonnes of food per month.

Foreign Minister Comments on Nonaligned Talks

LD3105191894 Zagreb HTV Television in Serbo-Croatian 1730 GMT 31 May 94

[Text] The Croatian delegation was one of the most active at the nonaligned conference. This is demonstrated by the numerous bilateral talks—with Cyprus, Malta, China, Bosnia-Herzegovina, Italy, Greece, Angola, Tunisia, Kenya, Costa Rica, Venezuela, and Morocco.

[Begin Foreign Minister Granic recording—not introduced by announcer nor identified by screen caption] I have used my time in Cairo to hold a number of bilateral talks with countries from Europe, Africa, and Latin

America primarily about the peaceful reintegration of UN Protected Areas [UNPA's] into Croatia's legal system.

As has been announced, Croatia will demand that the UN General Assembly discuss an additional item at its session in September—the UNPA's and the problems of their reintegration. We received firm support on this from many countries and a high degree of understanding from all countries for Croatia's just demands.

I also discussed the establishment of diplomatic relations with Angola and Kenya. I had very important talks with the heads of the Greek and Italian delegations, where we discussed problems between Italy and Croatia which must be resolved in a good-neighborly manner, without any tension. Italy reiterated its position on the inviolability of borders. I believe that the prime ministers and foreign ministers will meet during the conference of the Central European Initiative in Trieste in mid-July.

As regards Greece, we expect that as the country currently chairing the European Union [EU], in the next few days it will reply to Croatia's demand to have talks with the EU on economic cooperation and on joining the PHARE program. [end recording]

Tudjman Interviewed on Currency, Serbs

LD2905132694 Zagreb HTV Television in Serbo-Croatian 1810 GMT 28 May 94

[Interview with Croatian President Franjo Tudjman by Mirko Galic, newly appointed director of Croatian television, at the Presidential palace in Zagreb on 28 May; prerecorded questions posed by various political personalities—recorded]

[Excerpt] [Galic] The topic of our conversation with Croatian President Franjo Tudjman is what is happening in Croatia and what will happen in the future. Good afternoon, Mr. President.

[Tudjman] Good afternoon, Mr. Galic. Let me first congratulate you on the appointment to the very responsible position of director of Croatian TV.

[Galic] Thank you and welcome to the Croatian TV program, in which our viewers and political party representatives will ask you questions. The first question is prompted by the events themselves. This year, Statehood Day coincided with a crisis in the Croatian parliament, which has not been solved and which will, in a way, be dormant during the celebrations. Could you tell us—so far you have not voiced your opinion either as the party leader or the head of state—whether the assembly will start a session with all deputies, and whether the crisis and the blocking of the parliament will be overcome immediately after the Statehood Day holiday?

[Tudjman] You see, I think that the crisis has already been overcome because those who wanted to cause a parliamentary and constitutional crisis did not succeed. They did not manage to cause a rift in the majority party. Seeing that this failed, there was no crisis on the scale the scenario-makers wanted.

You said that I had not voiced my opinion. That is not entirely true because before the sessions of both chambers of the assembly I invited party leaders—both of the HDZ [Croatian Independent Democrats] and the opposition parties—and asked them—in state interests—to solve the crisis created by the defection of the presidents of the two chambers and the creation of the new party. I pointed out to them that the stability of the democratic system was in the interest of the Croatian state. It was precisely with the stability of its democratic system that Croatia has gained confidence of the important international players, but the world also needs a stable Croatia. [sentence as heard] Considering the circumstances in which we live and the tasks that the Croatian state is facing, in dealing with all issues we should bare in mind this demand by both the Croatian people and the world.

I told our most influential politicians that it would be in the interest that the crisis which arose—not the one they wanted to create—be overcome. I think that a positive solution has been reached. Not only because the majority party has retained its majority in both chambers, so the parliamentary system can continue to function, but also because the division inside the opposition party failed. There are rifts in all parties, but the opposition parties have now adopted a more reasonable approach, not only to the problems of solving the parliamentary crisis, but also to the whole of the state policy. Consequently, I believe that after Statehood Day that crisis will be solved formally as well.

[Galic] You tried—this is why you summoned all party leaders—to reach a certain accord on some important issues of Croatia's political system and political activities. Is that one of the guidelines of your political activity, especially now when Croatia must have, one the one hand, stability, and on the other social and political unity in the country?

[Tudjman] These have been my commitments and my policy, not only now but since we started creating democratic Croatia. We need the highest possible accord, since we are still facing the occupation of certain areas of Croatia. But we also need a stable government and stability in the parliament.

We should not forget that the fact that we have had a majority government and an accord on all important issues was a precondition for our victories. We should therefore not give up on that and not forget that it was precisely due to our firm and stable democratic system that we could have achieved all the successes in relation to the aggression, the economy and the international acceptance of Croatia as an important factor not only in solving the crisis on the territory of the former Yugoslavia, but also as one of the most important factors in creating a new international order in this part of southeastern Europe.

[Galic] There have been a lot of suggestions about what could happen if the parliamentary crisis is not solved, if the ruling party becomes a minority—which has not happened—if the opposition continues with its demands—which also seems not to have happened. Still, generally speaking, theoretically, as the party leader and head of state you have two ways of exerting influence on the crisis. One, you can influence your party. Two, you have the constitutional power to suspend the parliament and call elections in the event of a huge crisis. Have you ever considered doing that because that has been speculated on in the public? Under what conditions would you possibly agree to that or do it yourself?

[Tudjman] You see, there is an old saying in Zagreb: What would be if it would be. I would not like to speculate on this.

In any event, I would make a decision in the interest of Croatian democracy, the free democratic Croatia, the Croatian state. If the rift had succeeded, naturally, we would have tried to solve the stability of the future government within the parliament. Failing that, it is certain that I would use my constitutional power and address the nation to explain to them the problems and causes of the parliamentary crisis, what tasks Croatia faces and what we must do.

I had faith in the Croatian people since the first parliamentary elections in 1990. We held elections in 1992 and in 1993 when we did not have to, but we wanted to strengthen the democratic system and prove to the world that we are a country that wants to get out of the old socialist, communist system as soon as possible. I had faith in our people then, and I would have it now. I also believe that if that situation had arisen—if we had to go, if I had had to take other steps—we would have come out of it democratically strengthened, not weakened.

Let us have a look at the world. In parliaments where there is not one majority party, but different parties and different ideological approaches, where there are coalition governments—in many countries, from the Baltics to the Black Sea and the Adriatic the communists are coming back to power or there are coalition governments—they are helpless in solving not only political, but also economic problems. Precisely because we have had a stable government and a majority in the parliament, we have managed to achieve all the successes we have achieved.

I have said this once before. For me as the president of the republic, it would be simpler if I did not interfere in inter-party relations. However, I state with all responsibility that if we did not have the majority party, we would not have been able to pursue this policy and achieve political and economic successes, both internally and on the international scene. This is why I invited the party leaders and asked them to solve this crisis so that we could address our main problems as soon as possible.

[Galic] We will now hear the first opinions. We have recorded many questions by citizens and political party leaders. We will now hear the first opinions and questions by party leaders in connection with the current crisis in the parliament.

[Mira Ljubic-Lorger, of Dalmatian Action] It is sad and almost tragic that after two years as a deputy in the Croatian Assembly, this is the first time that I can ask the president of the state a question. However, here is my question: Mr. President, do you not think that it is high time you stopped thinking what else we could take away from Croatia, but that we—headed by yourself—started thinking what we could give or give back to Croatia? In my opinion, we should give it primarily freedom, democracy, and tolerance.

[Tudjman] Mrs Lorger, I will answer your question by repeating part of it. It is sad that you ask such a question. If we have given anything to Croatia in the past four years, then we have given it freedom and democracy, despite the war of aggression against Croatia and despite the fact that they wanted to prevent the creation of the independent Croatian state.

We have not achieved everything that we wanted because this is a continuing process, but in the opinion of objective outside observers—some not even favorably inclined to Croatia—in many areas we have achieved more than many other former socialist and communist countries have done.

[Galic] The second question is by your former party colleague Slavko Degoricija.

[Slavko Degoricija, of Croatian Independent Democrats] Mr. President, can you use your influence to reduce the stubborness of some Croatian Democratic Union [HDZ] negotiators in dealing with the current parliamentary crisis? Can you also use your influence to calm the media war and stop the spreading of false information and petty swindles until we overcome the crisis?

[Tudjman] It has been shown before that I really can influence the decisions and behavior of representatives and deputies of the majority party, and not only theirs. Still, we should admit that it was the majority party that—in the interest of Croatia—displayed flexibility and goodwill during the negotiations to overcome the staged parliamentary crisis as soon as possible. It did this in order to remove all objective reasons which might lead to the worsening of Croatia's position, the aggravation of internal problems and problems on the international scene, to the obstructing of the liberation of the occupied areas of Croatia, and to the clipping of Croatia's potential to exert an effective influence on solving the crisis in Bosnia-Herzegovina, which the world expects us to do.

Concerning the media war, neither I nor the majority party have a considerable influence on the work of any paper, daily or weekly. Many objective foreign observers—not only from the media, but also from diplomacy—say not only that there is enough democracy in

Croatia in that respect, but that there is in fact too much anarchy, which is incompatible with better cultural relations in the civilized world.

[Galic] Here is the third question in this section:

[Ivan Jakovcic, of the Istrian Democratic Party—IDS] Mr. President, do you intend to have any influence on the attitude of the state leadership to Istria, taking into account the stands of Istrian citizens who—as we all know—voted in a referendum in favor of the program of the Istrian Democratic Assembly?

[Tudjman] It goes without saying that I as the head of state will do everything in my power to see that the will of Croatian citizens is respected, but at the same time I will do everything in my power to ensure—especially in the case of Istria—the implementation of the Croatian state policy. As we have witnessed in the past, Istria was occupied by fascists, the Croatian people in Istria suffered enormous losses in the war against fascism and in fighting to join the Croatian motherland. Since you mentioned the last elections, we must not ignore the fact that the program of the IDS certainly had its positive points which ensured that the IDS obtained a majority, but at the same time that it supported the interests of those factions or tendencies which could threaten the survival of Istria within Croatia. With its ideas about a transregional Istria, about the demilitarization of Istria—against the background of ever-present irredentist and neofascist factions which have recently emerged in Istria, Rijeka and Dalmatia—the Croatian policy must take measures to protect Croatian interests as a whole, i.e. to protect its territorial integrity. The Croatian policy will of course protect every county and especially Istria, because of its historic background and the confrontations we are witnessing today.

[Galic] The second topical issue—which gives rise to a question—and about which there is no need to consult either political party leaders or the citizens, is the introduction of the kuna as the Croatian national currency. All opinion polls showed that there was hardly a single voice against it, everyone was satisfied or even proud that Croatia was getting its own currency. There were only questions about its name—whether it should have been kuna or kruna or perhaps even krona. They say, Mr. President, that you had a decisive influence on the name of our currency. What do you think about these objections? Are they well founded or not?

[Tudjman] Perhaps my influence was decisive. I am not denying it and I am also not shirking the responsibility for this. Initially we decided to have a kruna [crown] instead of the politically and economically compromised dinar. But after a discussion we decided that—since other countries in Europe, the Czech Republic, Slovakia, Sweden, Finland, Iceland use a crown as their currency—we agreed to call the Croatian currency in the independent democratic Croatian state by the name which existed in history. Kuna [marten] has been a means of payment in Croatia since long ago—its existence has been recorded since the 11th century, 1018. The marten features on the coat of arms as the main symbol of the Croatian kingdom of Slavonia which was once synonymous with the entire Croatia. Why shouldn't we therefore accept this distinctive name which is a special feature of Croatia and which shows that Croatia had its own currency from Istria to Cres, the currency also used in some other countries, in Russia and somewhere in the west. So why not kuna, when it had already existed as a means of payment. There were attempts to introduce kuna after the creation of the Croatian province [banovina] in 1939, but it was opposed by both Yugo-unitarists and Yugo-integralists in both Zagreb and Belgrade. The fact that the kuna was introduced in the NDH [Independent State of Croatia—Nazi puppet state] and suffered the fate of the NDH and the Axis is not the reason for not using it now, because Germany had the mark, France the franc and Italy the lira and none of these countries have changed their national currencies.

[Galic] Are you not afraid that in the west, in the countries which have not always been favorably inclined to Croatia, that there can be interpretations which could harm Croatia?

[Tudjman] As you can see, in serious circles in the west there are no objections. There is some opposition on the part of some individuals who have never accepted the reality of the free, sovereign Croatia. It is very interesting that in Croatia itself there is no opposition. Only two or three people dared express this publicly, as opposed to, I believe, 98 percent of the Croatian people.

[Galic] Do you think that the introduction of the kuna could hamper agreements and the negotiations with the Serbs, the Serbs who do not accept the Croatian state? Will that be an additional reason for them to say: The Croatian kuna will not find its way into Serbian pockets?

[Tudjman] Serbs in Croatia must understand one thing: They are a minority here, and they must recognize Croatia as their homeland. They can take an equal part in it—Croatia will guarantee them this—but they cannot, as they did in the past, impose solutions on state policy and, least of all, on the name of the Croatian national currency.

[Galic] Mr. President, you personally advocated rapprochement, negotiations, and the normalization of Croatian-Serbian relations, both in Croatia and between the Republic of Croatia and Serbia or Yugoslavia.

[Tudjman] Yes, I have been advocating that for a long time. I have written about this subject as well, and even today I believe that the normalization of Croatian-Serbian relations is necessary in order to solve the problem of the occupied areas of Croatia and to create preconditions for the normal life of the Serb ethnic community in Croatia. The normalization of relations between Croatia and Serbia on the basis of mutual recognition is also necessary. That is in the interests of both Croatia and Serbia, and that is an important

prerequisite for creating a new international order in southeast Europe. Without that there can be no lasting peace, and if this untenable situation remains—and it cannot remain forever—it would be detrimental for both Croatia and Serbia.

In my books—in "The National Issue in Europe" and in "The Wastelands of Historic Reality"—I have given examples. The Scandinavian countries fought each other for centuries until the beginning of this century, until 1905 when they finally recognized each other, and the Scandinavian peninsula is today the model of friendly relations of the Scandinavian countries and of the respect for differences between ethnic and national minorities in certain countries. It is also the model of democracy—we could perhaps agree—in the most perfect sense. About 20 years ago I expressed the hope that once we would see—I used this particular word—the Scandinavization of the Balkans. No future can be built on mutual hatred between Serbs and Croats and on the wish to exterminate one another. Besides, there is the philosophy that nations and people start acting wisely when they use up all possible [sentence unfinished as heard].

In that context I also gave the example of Germany and France. There are no two other nations in Europe which fought so many wars as Germany and France in the last century and this one. The relations between Germany and France are nowadays such that these two European powers are the backbone for the creation of the European Union [EU]; the EU in which no European nation will be created, but a Europe which will be a homeland to all peoples and all states.

Consequently, I believe that reason will win and that Croatian-Serbian relations will be normalized. It would be good if this happened without another war.

[Galic] In order to introduce Scandinavia-like relations in the territory of the former Yugoslavia, and for relations between Croatia and Serbia one day to resemble the relations between Germany and France, both sides should aspire toward that. It does not seem that the Serb side, the negotiators from Knin, truly wish to bring the process of normalization to an end. Some people want to know—and I will ask you, Mr. President—whether Croatia is perhaps giving in too much, and not obtaining in return what it is giving, or what it is prepared to give.

[Tudjman] First of all, let me say whether Croatia is giving in too much. The problem could be reduced to the question of why we accepted the UN-protected areas at all.

We accepted the peace forces at the end of 1991 when we wanted to get out of the war in which one-third of the Croatian territory was occupied, and in which that territory was destroyed like Vukovar and Gospic, Dubrovnik, and Konavle. At that time we did not have our army, forces, or friends in the world who would help us continue the war and prevent the rest of Croatia from being completely destroyed—Osijek, Sisak, Zagreb, Zadar, Sibenik, Split, Rijeka, Varazdin and so on. Therefore, at that moment and under those circumstances, because of the objective balance of power in the territory of the former Yugoslavia and in the world, we agreed that the peace forces should be deployed in those occupied areas.

However, the basis was that these areas are Croatian areas, and that only the status of the Serb population in Croatia needs to be solved. Therefore, that was the reason for doing it, and some people have forgotten why it happened. It is not that the Croatian policy was lenient, but the objective circumstances forced us to do that.

After that, things developed the way they did. In talks with Serbian leaders, including [Serbian President] Milosevic and [former FRY President] Cosic, we aimed at creating preconditions for what we have already discussed—the historic necessity to overcome all differences between Serbs and Croats.

Our explanation was that it should be clear that both Croats and Serbs in the South-Slav union, in the former monarchist and then socialist Yugoslavia had their own intentions—and not all of those intentions were idealistic. It was with the help of the Yugoslav idea that the Croats wanted to rule Serbia, counting on being more civilized and more progressive. They failed to do that, but the Serbs used the Yugoslav idea to impose their hegemony. On the other hand, the Serbs did not manage to destroy the Croatian nation or establish a permanent rule over Croatia either through the idea of a Greater Serbia or a Yugoslav idea—which they turned into a means of their rule. Therefore, conclusions should be drawn and the problem of normalizing relations tackled.

In my talks with the Serb leaders, both Cosic and Milosevic agreed that it was necessary and in the interests of both nations to normalize relations. It was along these lines that we opened representative offices in Zagreb and Belgrade. However, the Serbian representatives—who Belgrade said would pursue the policy of normalizing relations—have recently gone to extremes and spoken of Krajina as a separate state, which is a stupidity. Croatia will never agree to that, and the world will never accept that because the world has nowhere given minorities the right to self-determination.

The initial Serb theory was that if the Croatian nation had the right to self-determination and if they could proclaim their independent, sovereign state, then the Serbs had the same right. Yes, but there is a small difference. The Serbs are in the Croatian state, on Croatian territory which has never been part of Serbia. They are a minority here and, under international provisions on which the international order is based, minorities do not have the right to self-determination, while nations have that right.

Currently the relations are quite tense, but they are linked to solving the crisis in Bosnia-Herzegovina. In any event, now we will see. If the Serb representatives from

Knin to Baranja fail to accept the gradual normalization, if they continue to oppose Security Council resolutions guaranteeing Croatia's territorial integrity, Croatia will not be willing to extend the UN mandate and it will have to use all means to reintegrate the occupied areas of Croatia into its constitutional and legal system.

[Galic] Judging by some recent moves by the Croatian authorities, it seems that, as you have said, Croatia wants to bring to a head the issue of extending the mandate to the UN peace forces because it is obvious that further extension will create the situation commonly referred to in the world as the Cyprus-style situation, that is, a division which could be permanent. Croatia will not accept that. Do you feel there is a danger that the world would want to, or might recognize that Cyprus-style formula in Croatia? How will Croatia react to that?

[Tudjman] It would be possible to find in the world, and even in official circles in some countries, people who would be in favor of applying the Cyprus-style model to Croatia because they do not accept an independent Croatia and because of the pressure exerted on Croatia. However, what is important is that nowadays Croatia has Security Council resolutions and that we have clear statements by the most influential international players—from the main world superpower United States to the EU, and even to Russia—on recognition of Croatia's borders, and that the Serbian problem needs to be solved within Croatian borders.

Therefore, if in the current circumstances, refusing to allow the application of the Cyprus-style solution to Croatia, as you said, we must take, then, we can count on, and I hope that the world will understand that such a situation can no longer be tolerated, and that we will have on our side not only the world's democratic public opinion, but also the important international players [sentence as heard].

[Galic] As you will see from the questions Croatian citizens are asking you, the Croatian public wants to know about that problem. [Unidentified Croatian Army soldier] Mr. President, as a Croatian soldier, I would like to know when we will have internationally recognized borders for our Croatia.

[Tudjman] I would be happy if I could give a date. But, as I said before in response to earlier questions, we are determined to start the process of implementing Security Council resolutions. Specifically, the UN Protection Forces [UNPROFOR] should start implementing Resolution 769 on the control of the borders, and Resolution 871 on the gradual reintegration of the occupied areas of Croatia should start being implemented. If this does not happen, it is certain that, relying not only on 250,000 refugees from those areas, but also on the whole of the Croatian nation—and nowadays we also have the army which is ready to fulfill its tasks—we will have to start the process of liberating the occupied areas.

[Galic] Another Croatian soldier wanted to know the same thing.

[Second unidentified Croatian soldier] Four years ago the Croatian banner unfurled in Zagreb. Can you promise us that it will unfurl in Knin before Christmas?

[Tudjman] I hope so. Besides, I have promised that to some Croatian people who were born in Knin and who remember that after the Second World War Croats accounted for half the population of Knin; now there is not a single one. I also promised Croatian basketball players that I would invite them for dinner in Knin. I hope I have fulfilled all my promises so far. The question is when it will happen. That does not depend entirely on me, but I am convinced that I will fulfill that promise of mine as well, and that the Croatian banner will fly on the fortress of Knin, on Zvonimir's royal city.

[Galic] One more question please.

[Josip Ivankovic, poet] How many more poems about Vukovar will I still have to write? I have said that I will write the lyrics for every record of the Zlatni Dukati band until Vukovar is free.

[Tudjman] Yes, Vukovar is a symbol of Croatian resistance, of the Croatian struggle to establish the independent Croatian state. Vukovar is a symbol of the untamed aspiration of the Croatian people to be their own masters, the masters of every inch of the Croatian land. It is absolutely certain that there can be no dilemmas about our return to Vukovar. We are to sing and fight until that day.

[Galic] Croatian politicians, representatives of political parties, are also interested in the Croatian-Serbian relations—as we will see in the next two questions.

[Milan Djukic, of Serbian People's Party] President Tudjman often sends messages to the Serbian people in Croatia offering hospitality. Isn't this a proof that Serbs are foreigners in their own homeland and isn't this a support for those forces in Croatia who wish to divide Serbs into loyal and disloyal? My question is—does President Tudjman, as the president of all his citizens, really think that in this way he can reintegrate the UN-protected areas into Croatia by peaceful political means and at the same time secure lasting peace and good Croatian-Serbian relations in this region?

[Tudjman] You see, Mr. Djukic, you and I have already talked about it, and I have said it publicly, both on official occasions and unofficially: The problem of Serbs in Croatia is very complex because in former Yugoslavia, both the kingdom and the socialist Yugoslavia, Serbs had a fully privileged status in everything, a ruling status; and not just in former Yugoslavia, since Hungary also used Serbs to support their rule and impose hegemony over Croatia. There is a saying which is historically and politically true: Knin ruled Croatia, its finances and its police, and also other things. With the establishment of the independent democratic Croatia, all this had to change. Right from the beginning, though, we held—on the basis of our democratic orientation and on the basis of our knowledge—that a lasting peace cannot be created

amid the dissatisfaction of the majority of people. We offered Serbs all civic and national-ethnic rights. I personally sent for Professor Raskovic [former leader of Serb Krajina] to have talks with him and tell him—let's agree on what you Serbs in Croatia really want—because Raskovic was at the time a representative of the civic Serbian party as most Serbs in Croatia did not recognize those Serbian representatives who belonged to the League of Communists or who were members of the Croatian parliament. I said—if you as the true representatives of the Knin Serbs do not recognize them, then you should put forward your proposals. Let's organize our relations in a democratic and correct way. You know what happened instead. The Serbs accepted the arms forced upon them by the Yugo-communist army. They have been provided with arms in those areas which Belgrade wanted to include in greater Serbia and in which Belgrade wanted to involve the Serbs in a struggle against the democratic authorities. This is the problem here, and not the lack of willingness on the part of the Croatian Democratic Union to grant the Serbs in Croatia all the rights they are entitled to.

And something else: The Serbs have become the tools with which to bring down the democratic authorities in Croatia, and to threaten the recently won freedom. And for conquering Croatian areas to—as they had indicated in their maps—the Virovitica-Karlovac-Karlobag line. The Croatian democratic authorities treated the Serbs in Croatia in an extremely tolerant and democratic way. The Serbs remained at the Croatian university, their representatives remained in the government and the parliament. Admittedly, the relations changed within the police. Instead of 70 percent, the Serbs now make up some 7 percent of the police force, according to the latest figures, in particular in the most sensitive departments. This was changed [laughs]. But the Serbs in Croatia were given conditions for normal life.

And let us remind ourselves, when wars break out between countries and nations we see—for example when the war was declared between the United Nations and Japan all ethnic Japanese were detained in special reception centers, or should I call them camps, their property was taken away from them. And they could clearly not threaten the American authorities and the American state to any significant extent, as it was the case in the armed rebellion of the Serbs in Croatia. We are still discovering explosive and weapons dumps, left here in Croatia by both military and civilian secret services which masterminded the action to bring down the Croatian authorities, in which the Serbs in Croatia were involved.

Therefore, the Croatian side should not be seen as guilty for eveything. The Croatian side is the least guilty of all and the Serbs must understand that. The Serbs must aspire toward the attitude expressed by [scientist Nikola] Tesla: He is a Serb, but Croatia is his homeland; he respects it and he will have all the rights guaranteed. The Serbs will have more representatives from Knin and elsewhere, as nowadays they already have representatives in the parliament, the Croatian Government, the Supreme Court, the Constitutional Court and so on. This is something for which conditons should be created on both sides.

The lies to the Serbian population should stop. Two big deceptions: One that this independent, democratic Croatia is the continuation of the NDH, and the other that at least 600,000 to 700,000 were executed in Jasenovac in the NDH. As you know, greater Serbian imperialists and hegemonists who cannot accept any form of Croatian identity have set that figure as high as 1.5 million.

Let me tell you, Mr. Djukic and the Serbian public, during the Second World War altogether 597,000 people died on all the fronts in the whole of Yugoslavia. This includes ustashas, home guards, chetniks, Germans, Muslims, Slovenes, and Macedonians—597,000, and this is already a huge figure. Why should they now build their policy toward the independent democratic Croatia on this and deceive ignorant Serbs from Knin to Baranja by saying that they cannot live with Croatia because the Croats killed at least 600,000 to 700,000 people in Jasenovac alone. This is something that should be settled once and forever.

There should be new foundations for life which the democratic world wants today and which, as I have just said, have been achieved on the Scandinavian peninsula where a Swede in Finland or Norway enjoys the same rights as all other citizens. We are ready for that. Besides, you have proofs for that as well as those from Zagreb University who are spreading such lies and are partly contributing to solving the problem of Serbs in Croatia in a political and democratic way [sentence as heard].

[Galic] There is another question on the same issue.

[Ivica Vrkic, of Croatian People's Party] Mr. President, what do you think about the proposal I put forward to Prime Minister Velentic that a new round of talks with the Serbs be held in Mostar? We would thus make a concession to the Serbs—to hold talks on the territory of a third country—and at the same time, Croatian state interests would not be harmed because the talks would be held in a town which is a symbol of the struggle for the survival of Croats outside Croatia, and which is also under the international protection of the EU.

[Tudjman] Your idea is quite interesting. However, the talks with Serbs in Croatia will not be held anywhere outside Croatian state territory.

[Galic] One of the most difficult and most complex problems of the Croatian state today is the large number of its refugees who still cannot go back to their homes which are destroyed, occupied, or confiscated. People we have talked to and polls we have conducted show that impatience is rising and that the Croatian authorities will probably have to deal with that impatience more often in the near future.

[Tudjman] I fully understand the dissatisfaction of the Croatian people driven out from the occupied areas. After all, speaking about them, we must bear in mind that they are not only refugees, but also witnesses of the sacrifices they and their families suffered in those areas. They were witnesses, they watched members of their families killed, evicted from their centuries-old family homes, humiliated. Those people are full of wrath and hatred, and we have had to invest huge efforts to placate them and convince them that we will ensure their return, even to destroyed homes; that we will help them restore their family life, rebuild their villages, and not only Croatian ones because Hungarians, Czechs, Slovaks, and Ruthenians have also been driven out. Their dissatifaction is justified. Their demands and our promise to ensure their return have been delayed too long.

Therefore we are currently at the stage when we will take steps to ensure their return with the help of the international community, and—as I said—if we fail to obtain effective assistance from the international community in doing that, it is certain that the 250,000 refugees and the whole of the Croatian people will stand up with the Croatian army to liberate those areas and enable those people to return to their villages and destroyed towns—Vukovar and Dubrovnik—and live normal lives.

[Galic] The following questions raised by our refugee citizens illustrate this best:

[Unidentified refugee] I want to know, since we cannot return—whether we can ever return is a major question, well, if we cannot return I want to know what kind of plans the president has for us refugees. There is a large number of us. Does he plan to resettle us, for example, in some Serb villages, so to speak, I mean the houses abandoned by the Serbs who lived there? Does he plan to put us up there? Does he plan to secure some accomodation for us anywhere? Homes and jobs, that is what we need.

[Tudjman] We have to create conditions for your return. Until then, we have so far been doing our best to give you the best possible accomodation in line with our conditions. We opened all our hotels. It is a perfectly certain fact that it is not normal, namely, that our refugees have difficult housing problems while somewhere there are abandoned houses.

It is important nevertheless that we direct all our efforts and political activity and that we carry out concrete preparations so you can return to your homes. Until then you might find a job through local authorities and your own initiative and you can feel the same way in your Croatia as you do in your homeland. Consequently, you have a right not only to life but to education and development. Precisely because you were driven out of Croatian territories.

Rest assured that we will succeed in this. This is the entire Croatian people's task, not only in the homeland but in the diaspora, too.

[Galic] Let us hear another question.

[Second unidentified refugee] My first question, the most important question for all of us from Vukovar is about the missing. What about them? When are we going eventually to hear true reports? All we hear is rumors.

[Tudjman] Dear madam, you see, in addition to the 7,000 people who have been registered as dead, Croatian soldiers and civilians fighting the Yugoslav communist aggression and then the Serbian aggression. First, we had a list of 14,000 missing people. This number of missing people has been gradually reduced through our efforts and negotiations with the Serbs on the release of Croatian prisoners. We have now ended up with a list of 7,000 missing people. Unfortunately, today we have to conclude that it is likely that most of these victims of the aggression and bestiality of the chetnik hordes who attacked Croatia, there is a slim chance that a large proportion of these 7,000 missing are still alive.

However, in keeping with international norms and the Red Cross principles, it is not possible yet to establish what has happened to individuals. In any case, this testifies to the fact that the Croatian people have suffered a great deal, not only the fighters, soldiers who defended, who in fact had emerged from civilians as fighters for Croatia's defense. The Croatian people as a whole have made great sacrifices in its struggle against the Yugo-communist and Serbian aggression. This is yet another reason why we must as soon as possible solve this problem of missing people in particular, we must as soon as possible finalize negotiations and solve the problem of occupied territories. Only at that point it will be possible to reveal the whole truth.

[Galic] Another question please.

[Third unidentified refugee] Mr. President, we young people from Vukovar want to return as soon as possible to Vukovar. We do not want to wait any longer for anything. We want to have our own homes. If you have some solution, please tell us. We cannot go on like this any longer.

[[Tudjman] I was in Vukovar in late August 1991, at a time when it was no longer possible to enter Vukovar in a normal way. I had to take country roads so I could visit those who were still defending Vukovar. I will return to Vukovar with you.

[Galic] The last question on this issue.

[Branko Pek, secretary of the Refugee Association] Mr. President, you and other party leaders have often been promising that refugees will soon return to their homes. Having patiently waited for three years, the refugees are embittered with both Croatian state policies and the UNPROFOR [UN Protection Forces] as their promises have not materialized. In those eastern parts of Croatia an exodus took place at an even earlier stage and those people never returned. Is there any danger of the same happening to the Croat refugees?

[Tudjman] I have, by and large, already given you my answer to this question. We can indeed feel dissatisfaction with the UNPROFOR. The UNPROFOR has not carried out its major duties. But this is not a case of the UNPROFOR, as it is, not wanting to do so. We have to be objctive towards members of UNPROFOR units. Understandably, the UNPROFOR has various ways of relating to our problems, to the Croatian people and the Serbian population. What is essential, though, is this—the UNPROFOR has carried out one of the key tasks. When we agreed to, and when the United Nations sent its protection forces, this put an end to the war between Serbia-Yugoslavia and Croatia. Likewise, thanks to the UNPROFOR we secured the withdrawal of the Serb army, the Yugoslav Army from the Dubrovnik area and Prevlaka. This was not only a result of our armed operation, which was the most important element, but of diplomatic activity, too, including the involvement of the peace force.

These are some things that the UNPROFOR should be given credit for, so to speak. However, the UNPROFOR has not managed to disarm, the UNPROFOR in its capacity as a peace force was in fact not tasked with disarming Serbian paramilitary formations. On arrival the UNPROFOR was tasked with keeping the peace. The Serbs opposed this. Not only did they oppose the disarmament of their paramilitary formations but they carried on with ethnic cleansing.

As far as we know, since the UNPROFOR's arrival about 650 Croatian people have been killed in the UNPROFOR-protected areas. They have been killed by the Serbian occupation authorities in these areas.

[Galic] Do we know how many people have been driven out of these areas over this period?

[Tudjman] In this period, I do not know the exact figure, but Croatian people have been constantly driven out. From this point of view we cannot understandably be satisfied with the UNPROFOR. To this effect we have demanded that the UN Security Council give wider authority to the peace force and, consequently, the power to exercise this authority.

So far these efforts of ours have not been successful. In the course of these efforts we have nevertheless secured resolutions such as those on guaranteed borders, on the need for a gradual reincorporation of these areas into Croatia. We are now in a period when, in order to solve the refugee question and not only the refugee question but because of its entire national and state life, because of the restoration of communications etc—Croatia will have to take steps to enable refugees to return and to reincorporate these areas either with the help of the peace force and the international community or on its own. Today, the world will have more understanding for these justified demands from Croatia.

[Galic] The next major topic to discuss on the occasion of Croatian Statehood Day is Bosnia, the situation there,and Croatian policy on Bosnia. After the Washington agreement and the supplementary agreement in Vienna were reached, the roots of the Croat-Muslim confrontation seem to have been eliminated and Croat-Muslim relations have reached a new phase, a phase of great cooperation, where conditions are to be created for co-existence within Bosnia-Herzgovina, a federation of Croats and Muslims, and, to a certain extent, coexistence with Croatia, in the confederation.

Do you, Mr. President, believe that, after what has been achieved at the diplomatic level, conditions have been created to eliminate the Croat-Muslim confrontation, if not forever then for a considerable period of time?

[Tudjman] Everything you said is true. The problem of Croat-Muslim relations and [pauses], if you look at it as a whole, the problem of Bosnia-Herzegovina is objectively the most complicated problem in the world today, for the very reason that three nations are confronting each other, and not only three specific nations but also three civilizations. The state [of Bosnia-Herzegovina] was, when it was created and later throughout its history, not only an area of competition on an ethnic basis between the Serbs and Croats, but also an area where Muslims existed first as a separate religious and later ethnic community and where attempts were made to create a Greater Serbia by including the whole of Bosnia-Herzegovina, and where attempts were also made by certain fundamentalist circles from abroad to create a base in Bosnia-Herzegovina for an extreme fundamentalist policy in the center of Europe.

[Galic] Was this realistic? Was it possible?

[Tudjman] As was proven in real life—it was not possible, but the danger, the tendency was there. As we are speaking about this, it would be difficult to understand that the world as it is and a disunited Europe could allow Serb aggression of the kind we saw—if it had not been for the world fearing this danger that you have just asked about. There have been even some specific studies about this, both in the east and in the west. Some Muslim leaders, despite saying that they were fighting for a secular state, have given statements to the effect that they will create a state in Bosnia governed by Islamic laws, whether others like it or not. You know that this is also a civilizational problem of today's world, that the largest number of Islamic states want to have normal coexistence with other civilizations, but that there are also those who call for a jihad, a holy war to destroy other civilizations.

But, let us get back to concrete things. The Croatian policy from the beginning wanted to protect the Croatian identity as a whole in Bosnia-Herzegovina. As you know the Croatian identity is most compact in western Herzegovina, but it is also present in central Bosnia, Sarajevo, and in Bosnian Posavina, in the whole of Bosnia-Herzegovina, or in its largest part. This is why we accepted, and not only accepted but also instigated—I personally did, the first proposals on a system of cantons,

then on the resolution of the crisis based on the division of Bosnia into provinces. Understandably, we helped the formation of the Croat republic of Herzeg-Bosna when the republic of Srpska was practically already a separate entity, and when the Muslim leadership also accepted the idea of the creation of a separate Muslim republic.

As you know, that agreement with the Serbs was signed and made public. Naturally, by pursuing such a policy and helping the Croats in Bosnia-Herzegovina, through the Croat republic of Herzeg-Bosna, we managed to prevent the whole of Bosnia-Herzegovina from falling into the hands of a greater Serbia, and then to defend the Croatian areas even in central Bosnia.

There have been proposals that we can annex western Herzegovina to Croatia immdiately, which I rejected, because I considered the Croatian areas as a whole, especially the threats to the Croats in central Bosnia.

With such a policy we did not passively accept, but we brought about the Washington agreement [as heard]. We did not have to be forced to sign it, regardless of the fact that some individuals, even in Croatia, do not understand that. As I said, the problem of Bosnia-Herzegovina is truly complex, and some people even in Croatia speak about a unitary humanitarian Bosnia. Some would like to annex only a part of Bosnia, and so on. However, in our policy Croatian national and strategic interests coincided with the interests of the Western world. The understanding that the Muslims can survive only in an alliance with the Croats also prevailed among the Muslims, in the Muslim leadership. That was the basis of the agreement.

[Galic] Do these agreements and the principles of the agreements from Washington and Vienna guarantee the realization and protection of Croatian national interests and Croatian state interests?

[Tudjman] Absolutely. Why? Because on the basis of the constitution and the constitutional principles of the federation, it is the first time that the Croatian people in the federation of Bosnia-Herzegovina, which is in fact—judging by the signed agreements and the opinion of international law experts; there is a document signed by American Professor Dr (Boyle) analyzing the whole agreement over 26 pages and in 121 articles and proving that the federation, and especially the confederation, are ensuring an absolutely equal status for Croatia [sentence as heard].

Therefore, the Croatian national entity—both here in Croatia and in Bosnia-Herzegovina—should always remember the heritage which speaks about and warns that the Croats in Bosnia-Herzegovina have always been in a subjugated position. They were first under Serb hegemony when they were pushed into the background and eliminated even physically from Bosnia-Herzegovina. And, recently, they have been under Muslim hegemony.

Therefore, the Croats must understand that the constitution on the Bosnia-Herzegovina federation grants them an equal position, and that they can no longer be placed in an unequal, subjugated position because of the equality there, and especially because of the confederation.

After all, neither the Croats in the Croat republic of Herzeg-Bosna nor we here would accept the agreement, the proposal by the United States and the important European players, if it had not been for the link between the federation and the confederation. That confederal relation between the Bosnia-Herzegovina federation and Croatia guarantees that the Croats there can be completely equal, and that they will be responsible for governing Bosnia-Herzegovina in the direction of the interests of today's democratic world and for linking Bosnia-Herzegovina with western civilization through Croatia, despite some extremist trends.

[Galic] Some uncertainty and even fear is present among the Croats over the issue of what will happen to Croats in the mixed cantons, the cantons which have been declared mixed but have a Croatian majority. Medjugorje is a certain example where such concerns are present, Medjugorje which is to be part of a mixed canton.

[Tudjman] First of all, full equality is also guaranteed in mixed cantons. In those municipalities of the mixed cantons where the Croats are in the majority—no Muslim or any other authority can be imposed, or any symbols etc. This very example of Medjugorje being in a mixed Mostar-Neretva canton shows that this canton, because of Medjugorje, will be more likely to be known as more Croat rather than as more Muslim, for the whole world knows of Medjugorje. I was myself surprised by how many people came to Medjugorje even in the war conditions, from as far as America, Canada, and Indonesia. This example shows that this canton will not be less Croat than it is Bosniak-Muslim.

[Galic] What will actually happen with Bosnia? Some people think, and a lot has been said about it in public, that there is some secret, or I do not know what kind of agreement, between you and Mr. Milosevic on the division of Bosnia and that everything else is just a game. Many have denied this, and many have spoken about it. I would like you to answer this question—is there any truth about the alleged agreement on Bosnia with Mr. Milosevic?

[Tudjman] There has been no agreement with Milosevic or anyone else. Except for an agreement with [Bosnian President] Izetbegovic [laughs]. At the time when it was being said that the Bosnian crisis should be resolved through a union of three republics, I signed an agreement with Izetbegovic, now I can say a secret agreement, on cooperation between the Croat and Muslim republics within the union, and on a confederation between these two and Croatia. This was even signed. There has been no agreement with Milosevic, either written or verbal. I

did have talks first with Milosevic and then, a few days later, with Izetbegovic, and then all three of us met. This was before the war flared up in Bosnia, when Yugoslavia had disintegrated and Bosnia was on the agenda. My view was: Gentlemen, let us try to prevent a war in Bosnia-Herzegovina, for this war will have have even more terrible consequences than in Croatia. I said then: There are two possibilities to resolve the Bosnia-Herzegovina crisis. One is the confederal solution which would satisfy all three nations, the other one is the division. There is no third option. So, let us try a politically acceptable solution for all three nations. There is no ideal solution in such complicated conditions. This was the gist of my talks with Milosevic, my talks with Izetbegovic, and the talks between all three in Split. And there is nothing else to add.

And where are we today? We were in a position to create a union of three republics. Let us be completely open: The prevailing opinion among the most responsible circles of the world politics was that the creation of three separate republics in Bosnia-Herzegovina would not suitable. In some future the republic of Srpska would probably join Serbia, and the Croat one would join Croatia, and a separate Muslim one would remain, as we have mentioned a few minutes ago.

A proposal was then made, acceptable to us—since it resolved the problem of Croats in general and the strategic interests of the Croatian state—to create the Bosniak-Croat federation. And now the question of borders remains. As you have seen, at the latest ministerial meeting the world did not accept the 58:42 division. The position of the European ministers and Secretary of State Mr. Christopher is that the divison should be 51:49. In my opinion such a division should be executed and the republic of Srpska should then remain in some loose union with the federation, as a transitional solution.

In my opinion a solution will be found at some kind of a new Berlin congress. In a letter to President Clinton after he took office, I said that the United States should take over the leading role, since the European countries were not united as regards this, that an agreement in Bosnia-Herzegovina would not be easily reached, and that international circles would have to make a decision to even, if it needed be, impose peace—to prevent a war which could in this area assume a proportion of a war between civilizations. Not only a third world war, but—bearing in mind constant involvement of some radical, Bolshevik or Orthodox circles, on Serbia's side and a manifestly open desire by some Islamic circles to get involved on the Muslim side. Croatia has been and remains in favor of finding a political solution as soon as possible, to achieve peace and create conditions for a stable future international system in this area.

[Galic] Would Bosnia within this concept remain in its pre-war borders?

[Tudjman] Now, a solution is being sought along these lines but everyone is saying that this is a transitional solution.

[Galic] It seems that the Washington agreement, which was after all signed under U.S. patronage or under considerable U.S. influence, has resulted in relations between Croatia and the United States being elevated to a level they never reached before. It was you who was talking about special relations, about partnership between the United States and Croatia. Does this U.S. background, this U.S. support for Croatia, regarding both Bosnia and Croatia in particular, determine in a way the character of Croatia's foreign policy, of the Croatian state and its international status? Is the United States our main ally or partner in the world?

[Tudjman] Well, I think, yes. In other words, by pursuing this policy of ours, a principled policy from the point of view of protecting Croatian interests, and by bearing in mind international circumstances, we won not only the sympathy of the United States as the world's main power but also its friendship, something that is our greatest success. The Washington agreement crowned this policy. The United States indeed regards Croatia as a key factor in the implementation of this policy. Yesterday, I received not only President Clinton's congratulations on statehood day but also his separate letter about their wish to carry on with our mutual efforts to solve the Bosnia-Herzegovina crisis.

At the same time on the other end of the world there is a country such as China, the world's superpower with the largest population. We are also developing economic and cultural relations in the spirit of friendship. Our policy has created allies and friends in Europe too, not just among those who are traditionally inclined toward us but who demonstrated a great deal of misunderstanding as regards our complicated position, our involvement, so to speak, in Bosnia-Herzegovina....

[Galic, interrupting] Are you referring to Germany?

[Tudjman] Yes, Germany among others. Even Germany was eventually convinced by my peace initiative of 1 November last year and particularly by my meeting with the Muslim leadership in Bonn, i.e. in St. Petersburg, when it was revealed what we were offering and when there were no grounds any longer for casting suspicion on this Croatian policy which had been continuously of such a nature, which wanted peace and cooperation with the Muslims and offered solutions.

Hence, I would say yes to your question, yes we maintain friendly relations with the United States in all spheres, not only regarding the problem of Bosnia-Herzegovina but in the economic sphere, the political sphere and all other spheres. But we also have friends and allies, precisely thanks to our principled character. You know how the Vatican supported us. The Washington agreement enabled us to create conditions for the development of friendly economic relations with Islamic countries.

Consequently, in recent days Croatia has achieved indeed, your colleague, our ambassador Hido Biscevic in Ankara has sent a letter to me saying that there is a document that Turkish President Demirel, he is a statesman of great experience, has said that the world is witnessing, with surprising satisfaction and even admiration, how Croatia has been managing to win friends and that its policy has contributed to some prospects for a solution to this complex crisis [sentence as heard].

[Galic] One of the party leaders will ask you a question about the relations between Croatia and the other former superpower.

[Boris Kandare, of Croatian Party of Rights] I would like to ask you what influence the Russian Federation and its policies will have on future political events in the Republic of Croatia and in Bosnia-Herzegovina and how you personally intend to resolve this burning issue?

[Tudjman] This is a good question. Russia, whether the Russia of Peter The Great, Ivan The Terrible, Stalin or Yeltsin, remains an Euro-Asian power which will have permanent influence in the world and even in this part of the Balkans—although I do not consider Croatia a Balkan state, but a state of southeast Europe.

Russia's presence here is felt through Serbia and through its influence over the Orthodox population of Bosnia-Herzegovina and Croatia. The recent changes in Russia showed that the Russian policy is felt to such an extent that other international circles, Europe and the United States, have to acknowledge it.

I can say with satisfaction that the official Russian policy has played a positive role in the attempts to resolve the crisis in the former Yugoslavia and the Serb question in Croatia. It was in my presence in Belgrade that a Russian representative proposed to Milosevic to recognize Croatia. The Russian ambassador to Zagreb has been to Knin and has said that the Serbs in Croatia have to resolve their relations with the Croatian authorities within Croatia. The influence of the official Russian policy is now positive. But, on the other hand, there are some extreme circles in Russia, both from old Bolshevik ranks and from radical Orthodox ones, who have supported and continue to support Serbia's imperialist policy. Yet, it is to be expected that Russia will continue with its positive policy. But also—Russia's positive democratic position remains in the context of Russia's desire to secure its sphere of influence in this part of the world.

As far as we in Croatia are concerned, we have to acknowledge the positive role Russia has played in attempts to resolve the problems in the former Yugoslavia. We also have very intensive economic relations with Russia. As a country which wants to have friendly relations with all countries in the world we should try to develop our economic and cultural relations with Russia as much as possible. Despite its desire to have Serbia in its sphere of interest Russia will want to have good relations not only within the Orthodox world, but also with what used to be called the western Slavs.

All in all, we have to be not only pragmatic, but we must also remember that cultural links between the Croatian and Russian people existed [a long time ago] and that understanding for the Croatian problem is reflected in the attempts by Russian diplomats to support a right solution.

[Galic] You said Croatia is not a Balkan country and this will certainly be accepted by everyone. Croatia is a European country. How will the process of Croatia's integration into European organizations and systems—political, cultural, economic, etc—develop by the end of this year? Is it realistic that the Council of Europe is the first step? Is Croatia determined to fight for full European status?

[Tudjman] Absolutely. After the Washington agreement not only the Germans but also U.S. representatives explicitly said that Croatia has been accepted as a constituent part of the western world, western Europe. But we must be realistic here. Regardless of changes of government, some lasting components remain within European countries, which would like—as they wanted to preserve Yugoslavia—to create some new regional alliances. For this reason some did not want to have Croatia as it is. Until 1991 they did not want to have Croatia at all—and some very influential circles wanted Croatia to be defeated. When we managed to survive they worked on producing changes in Croatia which would take Croatia into some new regional alliances in the former Yugoslavia.

Because of the spheres of influence, not only between Russia and Europe and Russia, Europe, and the United States, but also within Europe—you [Galic], as a man who lived in Paris for a long time, know very well that there is significant difference between Paris, London, Bonn, and Rome...[Tudjman pauses] Croatia is absolutely on its way to the EU. Not only is it on its way but, as I have mentioned, Croatia is an important factor in the creation of an international order which will guarantee that no new twists will happen in this turbulent area.

[Galic] A country like Croatia, which is neither in a state of peace nor war, must use up a great proportion of its potential on financing its refugees, organizing its armed forces. At the same time its economic potential is not fully utilized. This certainly creates many social problems, some of which you will see reflected in our citizens' questions.

[Unidentified pensioner from Osijek] Mr. Tudjman, would you and your wife be able to survive on a pension of 750,000 [Croatian dinars] if your household bills totalled 450,000 [dinars]?

[Tudjman] Dear madam, this is too little. We cannot be satisfied with this. We must and will do everything to increase our incomes, our salaries. Then again, let us be

realistic, let us be proud, both you and I and all Croatian citizens of having weathered all of this, everything we have weathered. In Croatia no one went hungry. There has been no shortage of fuel in Croatia. There has been no shortage of anything in these wartime circumstances.

Your [pension] and my salary are still better than in any former socialist country with the exception of the Czech Republic and perhaps Slovenia which is far above....[Tudjman pauses] Consequently, in these changes which were brought about, which we had to survive, understandably, we had to weather all kinds of things, particularly what Mirko [Galic] has just said, that we had to create an army under unfavorable circumstances. War in every country, in a country such as Croatia in particular, because it was occupied as a whole in the beginning and than one-third was ruined. [sentence as heard] It is a miracle that we have managed even in this economic sphere to avert starvation and poverty. As soon as we get out of the war, and even now we are already increasing salaries.

Private enterprises, private initiatives are being launched. The tourist trade is being restored, and so on. We are heading for higher living standards. One thing is essential, though. Today we have our Croatian authorities who have no other task but to take care of the well-being of Croatian citizens. In other words, we have now created a situation in which your and my toil and effort and that of the Croatian people is no longer drained down the Sava and the Danube to God knows where. Croatian people can find jobs where they could not before—in the Croatian Army, the Croatian diplomatic service. Now, our destiny, our future, the issue of what kind of salaries we will have and what kind of culture and science, is in our hands. Rest assured that we are doing our best to get the most capable Croatian people involved in resolving these problems.

[Unidentified refugee] Refugees find it extremely hard to find a job. They would like to work.

[Tudjman] A job? I am puzzled, I am puzzled indeed to learn that refugees who want to work—every refugee should want to work—cannot find a job. In Croatia we are already facing a shortage of labor, a shortage not only in construction companies but in the tourist industry, too. Consequently, in this context, there are problems which we ourselves, the Croats, are responsible for. This is what we have to overcome.

So far I have only heard of obstacles facing those who want to return from abroad. I have had to intervene in a huge number of cases to enable people from the diaspora to take part in the privatization process, to buy these former socialist facilities that belong to no one, and to help them in finding jobs. In two cases the returnees went back to Australia and Canada after having experienced a cold welcome here. It was my intervention that brought them back. Let this be known.

I have only heard of such cases in which people from abroad face obstacles to finding jobs. Understandably, there are also positive cases. I know of some hundred young people from the diaspora who are not only employed in their own companies but who have found jobs after returning from abroad. One of thes people is a man who was born in Argentina. He works now for the Privatization Fund.

I have not, however, heard so far that you refugees are facing obstacles. On this occasion I appeal to all Croatian people in business life and the administration to give Croatian refugees, above all, a chance to find a job. People will find this burden of refugee existence less painful if they work, if they are occupied, if they know that they are useful rather than being a burden. Consequently, this is our shared issue.

Dear madam, not all things in Croatia are as they should be. This is not only a matter of political revival, of the implementation of the economic revival we have achieved. We must also bring about a moral revival, a moral restoration so to speak, so that we can create the preconditions for Croatia's integrity. For, in its history, this Croatia has never been a unified state. There are still regional tendencies. There is still mistrust, say between Dalmatians and Slavonians, or between Herzegovinians and Istrians, and so on. Consequently, we must overcome these regional features within the Croatian national entity that we have inherited from the past as soon as possible. Regional allegiances most certainly have an influence on whether someone gets a job or not.

I, for one, have intervened on a great many occasions. I do everything so we can achieve a state of harmony among the Croatian people that is demanded at this historic juncture. We have just established the Croatian state. It should be consolidated. Its stability in international terms will depend on this as well as on its stability in terms of finding the best solutions for all internal problems. There are problems in every country, in every society. Particularly so in our newly-created state because of, as I mentioned, leaving the Yugoslav and socialist hell.

[Galic] There is another similar question.

[Unidentified female soldier] Mr. President, has Croatia come to the point where a Croatian soldier who has been in service since 1991 is living on 360,000 [Croatian dinars] a month? That is a shame!

[Tudjman] I do not know your case precisely. If you are referring to a soldier who is capable of working and who is willing to work, then 360,000 is less than a living wage and society, our state, should find a solution for him to have a wage which we can guarantee. Our average wage is about 300 [German] marks, and in many firms as much as 500, 600, 700 and even over 1,000 marks is paid. Therefore, it depends on resourcefulness, and sometimes, if someone is not capable of solving his problems, our social services should help him. In this particular case, if we are really talking about a soldier, I simply do not understand it.

[Galic] Political parties are also interested in social policy. You will see that party leaders are asking about the social situation in our country, our society.

[Mato Arlovic, Social-Democratic Party] What will be done to improve the social, financial, and equal status of workers and pensioners? Which measures should we take to improve the standards of living of a man, a worker, and his family—at least to ensure respect for human dignity and the dignity of the family? This is my question. I believe that if the fragmentation of society continues, it will—and it has already started doing so—slowly start affecting the unity of all citizens, which could have serious implications on the security of the state.

[Tudjman] Of course, it is a task of the authorities to deal effectively with all social problems. However, in that respect we are limited by circumstances. As long as we have to earmark the main part of the budget for the creation of an armed force, an army; as long as we have to support an army three times larger than we would normally need; as long as we have to invest money in the establishing of our diplomatic service, which is not cheap either; briefly, as long as we do not come out of the isolation in which we have been so far, the possibilities of the state authorities are limited.

However, there has always been and there will always be the fragmentation of society. The state authorities should exert a positive influence, but that problem should certainly not be addressed by socialist and self-management phraseology and by giving promises and granting rights without a realistic basis. If we opted for a free market, we should respect the laws of the free market, including resourcefulness or the lack of it. Of course, some will become rich, some will go bankrupt. We cannot avoid that, especially during the period of [ownership' transformation.

But, I agree that precisely for these reasons the state authorities have a greater responsibility to alleviate the position of those in society who are most at risk—pensioners and others—in order to enable them to live a normal life and to create conditions for all classes, all segments of the Croatian people for the first time to take part in the rebuilding of their homeland.

[Galic] Mr. Pankretic will ask you a question in his own way.

[Josip Pankretic, Croatian Peasants' Party] Since you have appropriated land from the conglomerates as state land, the land has been abandoned. None of the state-owned land along the road from Sesvete to Vrbovec has been sown with corn, and it was not sown last year either. People in the villages wonder why the state does not sow corn when we do. That causes problems for us because my peasants do not sow either. Seeing that you own that land, would you please say something about that?

[Tudjman] Dear Pankretic, you cannot help acting as if you are in an electoral campaign. First of all, we have not appropriated any land for the state, but we have been looking for ways of privatizing former socialist large farms without threatening production.

I visited Romania recently where they took rash steps and reduced production by 50 percent, and the people were hungry, so they had to return the land. Therefore, we, the state, have not appropriated the land, but we tried to keep up production, and at the same time to privatize the farms.

I can give you the same answer as before: We have had such success that there has been no hunger, but I am sure that we can do more for villages. I know very well that the Croatian people have survived because of village life and the peasants. Conditions should be created for the farmers not to leave villages, but to stay there. We should create conditions, as in Denmark for example, for the farmer to be lord of his land.

[Galic] Many people will say that a huge, maybe the greatest, treasure of Croatia is its people, very resourceful people. Are they well deployed, appointed to the right positions? A party leader will ask you that.

[Jozo Rados, Croatian Social-Liberal Party] With all due respect to the political experience of the president of the republic, but stressing that his experiences stem from the communist system—both as a brain behind it and a dissident against it—and acknowledging that he is a scientist, I personally believe that the human resources of the Republic of Croatia should be deployed in a better way. I know how difficult and strenuous it is to create and govern a state. But, there are opinions in the public that many mistakes made by Croatian policy came about because the large volume of work and many tasks have been too much for the strength of one man. I would like to hear the president's opinion on these thoughts.

[Galic] Mr. President of the Republic?

[Tudjman] It seems that Mr. Rados is speaking here as a party representative. I affirm that Croatian policy has made no strategic mistakes either in politics or in the economy, either internally or in the international sphere. On the contrary, causing surprise, admiration, and bafflement on the part of some people, it has made achievements precisely because it had a leadership, it knew what it wanted, and it mobilized all the intellectual potential—regardless of party affiliation—to solve both political and economic problems.

One of the most complex tasks was the creation of the Croatian Army. From what, and against which odds did we create it? We managed to defend ourselves and create a force to which the enemy will have to give serious consideration. Look at Croatian diplomacy, look at those people. They are professors, scientists, doctors of sciences, people who have contributed to the victory of Croatian state policy and who are respected in the world. In the economy, where are those economic experts who have been left out?

So, we have achieved much, thanks primarily to a good personnel policy. Of course, more can and must be done, but we must create a climate in the whole of Croatia's public life in which there will be a clear difference between state interests on the one hand and party political—let me not say petty political—interests on the other hand. Speaking about Croatian state interests, no party differences should be seen in the activities on the international sphere. In the international sphere we should be united in defending the Croatian state and Croatian state interests. That means giving support to those who people voted for and entrusted their confidence in, and, I dare say, those who have justified that confidence and brought Croatia to the point where internally it has one of the most stable systems compared to other former socialist countries, and in international relations it has been recognized and has won the friendship of the most important international players. [passage omitted]

Berlusconi Offered Help Against Greek Embargo

AU2705204394 Skopje MIC in English 27 May 94

[Unattributed report: "Italy in Support of Macedonia"]

[Text] "The Prime Minister of Italy Silvio Berlusconi feels that the Greek embargo against Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is irrational and that, as a man who puts the economy in the forefront, he can simply not accept this as a form of communication with another country," Macedonia's Prime Minister Branko Crvenkovski emphasized at yesterday's press conference, following his visit to Italy. Crvenkovski emphasized that Berlusconi had promised that at the next EU meeting on Corfu, he would express the Italian stance in relation to the Greek embargo, in front of the Greek government representatives.

The Macedonian Prime Minister expressed satisfaction with what Macedonia displayed on a cultural plan within the framework of the manifestation "Macedonia in the Honor of St. Cyril," but also on a political plan, after the realized contacts with the high-ranking officials of Italy and Vatican.

Branko Crvenkovski underlined that a particular emphasis in the talks was placed on Italy's economic participation in Macedonian and the East-West project, which, together with its sub-projects, such as the gas line and the traffic route, offers possibilities for a joint appearance of construction workers from both countries on the Albanian market.

Minister Expresses Concern About Border Tensions

AU0106104594 Skopje MIC in English 30 May 94

[Unattributed report: "Macedonian Defense Minister: 'Greece Will Not Declare War on Albania—Tensions on Macedonian-Serb Border'"]

[Text] "Greece is not planning to declare war on Albania, which would intensify the relations in the region to an even greater extent," the Macedonian Defense Minister Vlado Popovski told the MIC today on the occasion of the latest Albanian-Greek dispute and the announcement made by Greek Prime Minister Papandreou that his government is prepared to undertake other measures if the diplomatic action fails.

As it is known, Greece is accusing Albania of waging a new campaign of persecution of the Greek minority in this country, whose numbers are estimated at 400,000 by Athens, while the Albanian authorities estimate this figure at 60,000.

The defense minister of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], which borders with Greece and Albania, and which is following the latest development of events between the two neighboring countries with rapt interest, says: "A Greek demonstration of power can be expected, however, not an armed action, which would not be just an ordinary war. In that event, Macedonia can expect increased activities of the Greek military on its borders, which will add to the already existing tensions on the border between Macedonia and Greece."

Popovski also stated that particularly strong tensions were felt in the last two months between the border organs of the Republic of Macedonia and the FRY, which can be characterized as a form of military pressure. "There were nine border incidents in the last two months, which, according to our opinion, were on Macedonian territory, while the FRY border organs believe they took place on their territory. From our aspect, there was a violation of the border of up to 300 meters, and on one occasion, even up to 4 km inside our territory. We are witnesses of untypical activities in the border region which cannot be characterized only as refresher activities of the reserve contingent of this neighboring state. We also do not have any information as to when these activities will end, as they do not talk to us, and such information was also not received by UNPROFOR [UN Protection Forces] Commander for Macedonia Brigadier General Tellefsen during his recent visit to Nis."

The defense minister also said that the Macedonia border organs received an ultimatum from the FRY, that the Macedonian border watchtower Gasince was on Serbian territory. In addition, the observation post 40 of the UNPROFOR Nordic Battalion on the Macedonian-Serb border was issued a warning by the Yugoslav army on May 24 to leave this place within two weeks.

"This way a mechanism is created, which raises tensions that can lead to an incident, and later on even to an escalation, which can be used as a scenario for maintaining high tensions. There are still no announcements by Serbia and Greece of an intention to recognize the statehood of the Republic of Macedonia," Popovski says. "This only stimulates the extremisms in both neighboring countries. The state border between the two countries is called "administrative" by the military organs of the FRY, as if it was not a border between two countries. The Macedonian-Serbian border, according to the Constitution of the former SFRY, is a state border between two republics.

Serbian Minority To Take Part in Census

AU3005174794 Skopje MILS-NEWS in English 30 May 94

[Unattributed report: "Serbs Will Take Part in Census, Perhaps Not in Elections"]

[Text] At a press conference, the Democratic Association of Serbs stated the Serbs in Macedonia [Former Yugoslav Republic of Macedonia] are ready to cooperate in realization of the coming census and will take part in it. The Association President Boro Ristic pointed out the census is a test for the democracy and statehood of

Macedonia. He appealed to all Serbs in Macedonia to declare themselves Serbs, and not Yugoslavs.

As for the elections laws, the Association suggests the parliament should consist of 120 deputies elected on a majority principle, 15 on a proportional one, and five deputies, to be appointed by the Ethnic Council. "Unless the parliament accepts this proposal or comes up with an adequate coalition partner to protect the rights of Serbs in Macedonia, the Association will boycott the elections in November," Ristic stated.

Turkish Party Protests Census Structure

AU3005174694 Skopje MILS-NEWS in English 30 May 94

[Unattributed report: "Parallel Census?"]

[Text] The Democratic Party of Turks in Macedonia [Former Yugoslav Republic of Macedonia] expressed bitterness and public protest against the structure of the State Census Committee, appointed by the government. The Turk member of the Committee has been appointed without consulting the party, which is for them unacceptable. The party is confirmed the census will be conducted in a manner same as all previous censuses, i.e., it will be partial and doubtful. If this party is neglected in the future, it will announce a parallel census for Turks in Macedonia to be conducted by Turks, the party threatened in its public announcement.

Serbs Propose Amendment to Constitution

[Unattributed report: "Constitutional Proposal Changes"]

[Text] The Macedonian Council on Ethnic Relations held a session, discussing amendments to the Constitution, proposed by its member Bosko Despotic, representative of the Serbs and Montenegrins in Macedonia [The Former Yugoslav Republic of Macedonia]. The Coordinating Committee of the Association of Serbs and Montenegrins in Macedonia submitted a request for changes in the constitution, to state Serbs, not mentioning Montenegrins, along with other minorities living in Macedonia. The second amendment proposes equal participation of Serbs in the work of the Ethnic Council.

The Council is to decide on the proposed amendments during one of its next sessions.

Drnovsek Accepts Bizjak Resignation

AU3005172394 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 30 May 94

[Text] Prime Minister Dr. Janez Drnovsek said for our radio and television station that he had accepted the resignation offered by Interior Minister Ivo Bizjak. In reply to a question by Bojan Veselinovic, Drnovsek said that if it were not for the well-known Klagenfurt incident, Bizjak still would have been minister. Dr. Janez Drnovsek also said:

[Begin recording] [Drnovsek] I have decided to accept the resignation of Minister Bizjak. I believe that by offering his resignation Minister Bizjak has acted in a principled and correct manner and that I must act likewise and accept his resignation. I believe that this will facilitate and safeguard consolidation within the Interior Ministry.

[Veselinovic] Would you have decided to replace Minister Bizjak even if the Klagenfurt incident had not happened?

[Drnovsek] I believe that the direct reason for this replacement is the Klagenfurt incident, that this is a question of objective responsibility just as was the case with [former Defense] Minister Jansa. [end recording]

[Veselinovic] When asked whether he had proposed to Minister Bizjak that he replace Vinko Beznik, head of the special police troops, and Mitja Klavora, head of the Crime Department, even before the Klagenfurt robbery, Drnovsek replied: not directly, even though he had proposed, on the basis of the debate over the government report on the Depala Vas incident, that Bizjak take adequate measures within the ministry, including personnel measures.

[Begin recording] [Veselinovic] Therefore, if the personnel changes had been carried out and there had been no Klagenfurt incident, hypothetically speaking Ivo Bizjak would have still been the interior minister?

[Drnovsek] That is so. [end recording]

[Veselinovic] In the next few days Drnovsek will send a proposal for the new interior minister to the State Chamber, which will merely be informed of the acceptance of Bizjak's resignation. Drnovsek did not comment on the names of the two candidates known for far, for new interior minister. He only said that he will decide in the next few days when, in accordance with the coalition agreement, the Christian Democrats will propose a candidate who will also have to be acceptable for him as the prime minister. [end recording]

Drnovsek Discusses Conflict With Italy

AU3105084294 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 30 May 94

[Text] Prime Minister Janez Drnovsek in an interview for REUTERS explained the government views about a recent Slovene-Italian conflict. He gave his assurance that our country intends to persist in its views regarding its heritage from World War II and expressed belief that the European Union will support us in this. He warned that, if Italy continues to exert pressure upon our country in the future, Slovenia will demand compensation for the time of occupation by Fascist Italy and protection for approximately 100,000 Slovenes in Italy. He did not ascribe any major significance to a recent Italian move, when at the Conference on Stability in Europe Slovenia was cut from the list of countries that are potential EU members at the insistence of the Rome authorities.

Kucan Questions Upcoming Visit to Zagreb

AU0106100694 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 31 May 94

[Text] As is known, President Milan Kucan is scheduled to depart for a visit to Zagreb at the beginning of next week. It is supposed to be an unofficial visit even though Croatia has tried, with the statements of its ambassador in Ljubljana, Miljenko Zagar, to portray it as official talks between Presidents Kucan and Tudjman.

We have learned unofficially that in a letter to Prime Minister Dr. Janez Drnovsek President Kucan warned that it would be good if all offices responsible for Slovene foreign policy were to reexamine the purpose of his visit to Zagreb together with the government. In mid-May, after President Kucan received the invitation from Zagreb, the Slovene foreign minister was still in favor of the visit. However, since then circumstances have changed. In the letter to Drnovsek, Kucan warned that since October 1992, when he and Croatian President Tudjman last met, there have been no meetings at presidential level. Despite this, the question arises as to what the scope of Kucan's visit to Zagreb could be, since the latest events have shown a lack of any sign of mutual desire to resolve outstanding problems between the two countries through consensus.

In his letter, Kucan cited the example of Secovlje and the construction of a border crossing there in spite of the protest by Prime Minister Drnovsek to Croatian Prime Minister Valentic. A decision about the visit will be known in the next few days when the government's official position becomes known.

President Kucan and Prime Minister Drnovsek discussed this subject this afternoon.

Federal

FRY Excluded From Nonaligned Conference

LD3105091194 Belgrade TANJUG in English 0825 GMT 31 May 94

[Text] Cairo, May 31 (TANJUG)—A nonaligned ministerial conference will open in Cairo on Tuesday and for the first time since the foundation of the [Nonaligned] Movement [NAM] it will not be attended by officials from Yugoslavia, one of its founders and the host of its first summit. This is the result of an arbitrary behaviour of the host of the conference, Egypt, whose Foreign Minister 'Amr Musa had decided "not to allow Serbia" to participate in the meeting for two reasons: because he does not recognize the right of the Federal Republic of Yugoslavia to succession and because of what he described as "Belgrade's involvement in Bosnia and Croatia."

Instead of the Federal Republic of Yugoslavia, Egypt invited to the conference Moslem officials from the former Yugoslav republic of Bosnia-Herzegovina, as well as those from Croatia and Slovenia. Officials from Greece, Bulgaria and many countries of the former Soviet Union and some West European countries will be present as guests or observers. The agenda of the conference, to be opened by Egyptian President Husni Mubarak, will include the crisis in Bosnia-Herzegovina, the conflicts in Rwanda, Cambodia and Yemen, the Movement's future in the light of the new world order and economic problems of the member-countries.

IMF Urged To Extend Status Deadline

LD3105122694 Belgrade TANJUG in English 1214 GMT 31 May 94

[Text] Belgrade, May 31 (TANJUG)—Yugoslavia will this week submit a request to the International Monetary Fund (IMF) once again to extend the deadline for the regulation of Yugoslavia's status with the IMF until mid-December, Zarko Trbojevic, chief advisor to the governor of the National Bank of Yugoslavia, told TANJUG on Tuesday [31 May]. The deadline was extended last December until June 14, 1994. Trbojevic said that an IMF Board of Directors decision of December 14, 1992, said that the Socialist Federal Republic of Yugoslavia has ceased to exist and is thus no longer an IMF member. He said this was the first such decision of the board ever to occur since the founding of the IMF.

Under the IMF decision, the Federal Republic of Yugoslavia's share in the succession of the former Yugoslavia's assets and liabilities with the fund amounts to 36.52 per cent. All former Yugoslavia's successors were given one month (expiring on January 14, 1993) officially to agree or disagree with their respective shares in former Yugoslavia's assets and liabilities in the IMF.

Yugoslavia notified the IMF that it accepts its share, bearing in mind that this amount could not be permanent because the share of each IMF member-country should reflect its real economic power. The IMF said that Yugoslavia's status would be regulated if Yugoslavia settled its share of outstanding debts, passed a law on accepting obligations ensuing from the IMF Constitution, and if the IMF gave a positive assessment of Yugoslavia's liability to fullfil its obligations under the U.N. sanctions. All things considered, Yugoslavia has urged the IMF Board of Directors to extend the deadline for meeting these conditions, which the IMF did both in June and December 1993.

The Yugoslav Government has said that its top priority task is to maintain and reactivate its cooperation with the IMF and the World Bank.

Navy Holds Tactical Exercise in Adriatic

LD3105165394 Belgrade TANJUG in English 1639 GMT 31 May 94

["Pool" item]

[Text] Tivat, Yugoslavia, May 31 (TANJUG)—The Yugoslav naval command has prepared and performed a several-day tactical exercise with the use of live ammunition, the information service of the Yugoslav Army General Staff said on Tuesday [31 May]. The exercise was carried out within the realisation of the tasks of this year's combat training aimed at checking the combat and operational-tactical readiness and degree of training of the Yugoslav naval command and its units in the defence of the Yugoslav part of the Adriatic coast. Tested were the organisation and performance of the anti-combat defence of the Yugoslav part of the coast in case of an aggression on Yugoslavia (Serbia/Montenegro), with the support of the military air force and anti-aircraft defence, it was said.

Acccording to its contents and dynamism, the exercise represents one of the most complex forms of testing the degree of combat readiness of navy units for fighting targets at sea, land or in the air. At the end of the exercise, the navy performed shooting exercises with torpedoes, artillery and anti-submarine ammunition. The final part of the exercise was watched by the Yugoslav president and the president of the Supreme Defence Council, Zoran Lilic, Montenegrin President and member of the Supreme Defence Council, Momir Bulatovic, the Yugoslav Army chief of general staff, Colonel General Momcilo Perisic and the commanders of the Yugoslav army strategic groups. Lilic, Bulatovic and Gen. Perisic agreed that the degree of training of the fleet and coastal defence was high, as well as their readiness to successfully deal with all kinds of threats to Yugoslavia's territorial integrity and sovereignty.

Serbia

Churkin Urges Adherence to 49-51 Percentage

AU3105203994 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 31 May 94

[Report by Snezana Rodic; Churkin speaks in English with superimposed Serbo-Croatian translation—recorded]

[Text] Shortly before his departure from Belgrade, Vitaliy Churkin was once again received by Serbian President Slobodan Milosevic. The talks were attended by Milan Martic, president of the republic of Serbian Krajina, and Borislav Mikelic, prime minister of the republic of Serbian Krajina. Churkin also met delegations of the republic of Serbian Krajina and the republic of Srpska today. Here is a report by Snezana Rodic on how today's talks were held and how they were assessed:

[Rodic] How would you briefly assess the second round of talks with President Milosevic?

[Churkin] We were summarizing the overall talks we held today and I think that the Serbian side is serious and that it is seriously going to attend the Geneva meeting with a view to agreeing on the cessation of hostilities. They are preparing themselves for the second round of negotiations with the contact group. This will take place soon. I think that all this was worthwhile. We in Moscow are planning a very busy month of June as regards the matters that will have to be done urgently.

[Rodic] Did you talk about sanctions with President Milosevic?

[Churkin] If I had not mentioned them, he would have mentioned them to me. This issue is usually mentioned at our talks.

[Rodic] (?Would) you say something more about that?

[Churkin] We have this position that I think is a very good one. It is included in the ministerial communique. Therefore, a solution to the situation in Bosnia-Herzegovina will lead to the suspension of sanctions. I think that this is an encouragement to the Serbian side to reach a solution.

[Rodic] In the Russian Embassy in Belgrade, Vitaliy Churkin first met a delegation of the Republic of Serbian Krajina which included Milan Martic and Borislav Mikelic. They discussed the continuation of negotiations with Croatia. It was pointed out that the Republic of Serbian Krajina is an equal partner and that it has respected the peace agreement on cease-fire, something which was also confirmed by UNPROFOR [UN Protection Forces]. The main problem is where the peace negotiations are to be held.

[Martic] Our stand is that this should be a neutral venue, outside the territory of either Croatia or Krajina, although Croatia insisted that the venue be exclusively in Croatia or Krajina, thereby prejudging the political solution that Krajina is within Croatia and wanting somehow to reduce this to its internal problem. We are still insisting that this should be a neutral place. It can be a Russian embassy in any foreign country. However, we still remain open for negotiations, but of course should hold consultations within our ranks, that is, in the parliament and the government.

[Rodic] Churkin then had talks with a delegation of the Serbian Republic, Dr. Nikola Koljevic and Momcilo Krajisnik. This was a consultative talk on the eve of the Geneva negotiations that have been convened by Yasushi Akashi. The Serbian side pointed out that a new Croatian-Muslim federation must not turn into an anti-Serb coalition.

[Krajisnik] (?I) informed Mr. Churkin that our negotiating team will go to the meeting to conclude an agreement on the cessation of hostilities and that we are going to take part in the next meeting of the contact group.

We have also discussed certain (?disputable) issues. Maps are always (?disputable) issues. There has been no special progress. Muslim proposals presented to us are already known. This is east Bosnia, western Bosnia, they are all questions demanding great attention and effort in order to reach the final solution.

[Koljevic in English with superimposed translation into Serbo-Croatian] We think that the cessation of hostilities is by far the most important thing. We are prepared to discuss territories. We do not think that percentages are a good approach to the beginning, but we are ready to discuss territories, albeit with arguments about the maps—quality, infrastructure, communications are much more important things than percentages.

[Churkin] I am encouraged that my talks with Mr. Martic were very useful. I think that everything is moving forward, toward the beginning of the talks about economic matters, so I expect that before too long we shall find a way to begin these talks about economic normalization between Knin and Zagreb, that is, about the second stage of their difficult road toward a normalization of relations. I also had useful talks with Mr. Krajisnik and Mr. Koljevic.

[Unidentified correspondent] Mr. Koljevic told us half an hour ago that one should talk about the quality of territories. Would one have to redefine the 49-51 percent relation?

[Churkin] No, that will stay. They have to talk about these details within the framework of the concept approved by foreign ministers of the key countries. This was not a frivolous decision, but one based on the months of very long discussions and talks between all sides. They will have to stick to that concept.

Montenegro

Sanctions Cost Over $5 Billion in Two Years

LD3105124294 Belgrade TANJUG in English 1207 GMT 31 May 94

[Text] Podgorica, May 31 (TANJUG)—It has been officially estimated that the Yugoslav republic of Montenegro has sustained a loss of over five billion dollars over the past two years of the international blockade. Montenegrin Prime Minister Milo Djukanovic has said that this is the rough estimate of both direct and indirect losses caused by the sanctions. He added, however, that there were also losses which cannot be measured by statistical figures.

According to the federal government, the international blockade has over the past two years inflicted on the Yugoslav economy a direct loss of 35 billion dollars, which, together with those caused indirectly, amount to 100 billion dollars. On May 30, 1992, the U.N. Security Council introduced draconic economic sanctions against the Federal Republic of Yugoslavia (Serbia/Montenegro) because of its alleged involvement in the civil war among Moslems, Serbs and Croats in neighbouring Bosnia-Herzegovina. Most Montenegrin firms are operating at intervals and below their rated capacities. It is estimated that one-third of the total 130,000-strong workforce has been laid off with token pay due to the slashed production rate.

Montenegro's most vital and profitable industries, such as tourism, maritime economy, iron and steel industry and non-ferrous metal industry, have been severely crippled by the international blockade. Montenegro's fleet, which formerly accounted for about 20 per cent of the annual foreign currency revenues and for about five per cent of the total revenues, has found itself on the verge of collapse. The fleet's 37 ships, with 977,000-tonne cargo capacity, is blocked in harbours throughout the world, for which Yugoslavia has to pay a lay-over tax amounting to over 50 million dollars a year.

The sanctions have especially aggravated the humanitarian situation in the republic, as the impoverished economy bears the brunt of providing not only for its 615,000 citizens but also for more than 50,000 refugees in Montenegro. Over the past two years, Montenegro has on several occasions urged the U.N. Sanctions Committee to approve exports of alumina, which would enable the purchase of necessary foodstuffs and medicines, but none of the requests have so far been approved.

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